

### **Integrity of VDE Security**

There are many ways in which a PPE 650 might be compromised. The goal of the security provided by VDE 100 is to reduce the possibility that the system will be compromised, and minimize the adverse effects if it is compromised.

The basic cryptographic algorithm that are used to implement VDE 100 are assumed to be safe (cryptographically strong). These include the secret-key encryption of content, public-key signatures for integrity verification, public-key encryption for privacy between PPEs 650 or between a PPE and a VDE administrator, etc. Direct attack on these algorithms is assumed to be beyond the capabilities of an attacker. For domestic versions of VDE 100 some of this is probably a safe assumption since the basic building blocks for control information have sufficiently long keys and are sufficiently proven.

The following risks of threat or attacks may be significant:

- Unauthorized creation or modification of component assemblies (e.g., budgets)
- Unauthorized bulk disclosure of content
- Compromise of one or more keys
- Software emulation of a hardware PPE
- Substitution of older records in place of newer records

- Introduction of "rogue" (i.e., unauthentic) load modules
- Replay attacks
- Defeating "fingerprinting"
- Unauthorized disclosure of individual content items
- Redistribution of individual content items.

A significant potential security breach would occur if one or more encryption keys are compromised. As discussed above, however, the encryption keys used by VDE 100 are sufficiently varied and compartmentalized so that compromising one key would have only limited value to an attacker in most cases. For example, if a certification private key is exposed, an attacker could pass the challenge/response protocol as discussed above but would then confront the next level of security that would entail cracking either the initialization challenge/response or the external communication keys. If the initialization challenge/response security is also defeated, the initialization code and various initialization keys would also be exposed. However, it would still be necessary to understand the code and data to find the shared VDE keys and to duplicate the key-generation ("convolution") algorithms. In addition, correct real time clock values must be maintained by the spoof. If the attacker is able to accomplish all of this successfully, then all secure communications to the bogus PPE would be compromised.



An object would be compromised if communications related to the permissions record 808 of that object are sent to the bogus PPE.

Knowledge of the PPE download authorization key and the algorithms that are used to derive the key that encrypts the keys for backup of secured database 610 would compromise the entire secured database at a specific electronic appliance 600. However, in order to use this information to compromise content of VDE objects 300, an understanding of appropriate VDE internals would also be required. In a preferred embodiment, the private body keys and content keys stored in a secured database 610 are "aged" by including a time component. Time is convoluted with the stored values to derive the "true keys" needed to decrypt content. If this process is also compromised, then object content or methods would be revealed. Since a backup of secured database 610 is not ever restored to a PPE 650 in the preferred embodiment without the intervention of an authorized VDE administrator, a "bogus" PPE would have to be used to make use of this information.

External communication shared keys are used in the preferred embodiment in conjunction with a key convolution algorithm based on site ID and time. If compromised, all of the steps necessary to allow communications with PPEs 650 must also be known to take advantage of this knowledge. In addition,

at least one of the administrative object shared keys must be compromised to gain access to a decrypted permissions record 808.

Compromising an administrative object shared key has no value unless the "cracker" also has knowledge of external communication keys. All administrative objects are encrypted by unique keys exchanged using the shared external communications keys, site ID and time. Knowledge of PPE 650 internal details would be necessary to further decrypt the content of administrative objects.

The private header of a stationary object (or any other stationary object that uses the same shared key) if compromised, may provide the attacker with access to content until the shared key "ages" enough to no longer decrypt the private header. Neither the private body nor the content of the object is exposed unless a permissions record 808 for that object is also compromised. The private headers of these objects may remain compromised until the key "ages" enough to no longer decrypt the private header.

Secure database encryption keys in the preferred embodiment are frequently changing and are also site specific. The consequences of compromising a secured database 610 file or

a record depends on the information that has been compromised. For example, permissions record 808 contain keys for the public body and content of a VDE object 300. If a permissions record 808 is compromised, the aspects of that object protected by the keys provided by the permissions record are also compromised—if the algorithm that generates the "true keys" is also known. If a private body key becomes known, the private body of the object is compromised until the key "ages" and expires. If the "aging" process for that key is also compromised, the breach is permanent. Since the private body may contain methods that are shared by a number of different objects, these methods may also become compromised. When the breach is detected, all administrative objects that provide budgets and permissions record should update the compromised methods. Methods stored in secure database 610 are only replaced by more recent versions, so the compromised version becomes unusable after the update is completed.

If a content key becomes compromised, the portion of the content encrypted with the key is also compromised until the key "ages" and expires. If the "aging" process for that key also becomes compromised, then the breach becomes permanent. If multiple levels of encryption are used, or portions of the content are encrypted with different keys, learning a single key would be insufficient to release some or all of the content.

If an authorization shared secret (e.g., an access tag) becomes known, the record containing the secret may be modified by an authorized means if the "cracker" knows how to properly use the secret. Generally speaking, the external communications keys, the administrative object keys and the management file keys must also be "cracked" before a shared secret is useful. Of course, any detailed knowledge of the protocols would also be required to make use of this information.

In the preferred embodiment, PPE 650 may detect whether or not it has become compromised. For example, by comparing information stored in an SPE 503 (e.g., summary service information) with information stored in secure database 610 and/or transmitted to a VDE participant (e.g., a VDE clearinghouse), discrepancies may become evident. If PPE 650 (or a VDE administrator watching its activities or communicating with it) detects that it has been compromised, it may be updated with an initialization to use new code, keys and new encryption/decryption algorithms. This would limit exposure to VDE objects 300 that existed at the time the encryption scheme was broken. It is possible to require the PPE 650 to cease functioning after a certain period of time unless new code and key downloads occur. It is also possible to have VDE administrators force updates to occur. It is also likely that the

desire to acquire a new VDE object 300 will provide an incentive for users to update their PPEs 650 at regular time intervals.

Finally, the end-to-end nature of VDE applications, in which content 108 flows in one direction, generating reports and bills 118 in the other, makes it possible to perform "back-end" consistency checks. Such checks, performed in clearinghouses 116, can detect patterns of use that may or do indicate fraud (e.g., excessive acquisition of protected content without any corresponding payment, usage records without corresponding billing records). The fine grain of usage reporting and the ready availability of usage records and reports in electronic form enables sophisticated fraud detection mechanisms to be built so that fraud-related costs can be kept to an acceptable level.

#### **PPE Initialization**

Each PPE 650 needs to be initialized before it can be used. Initialization may occur at the manufacturer site, after the PPE 650 has been placed out in the field, or both. The manufacturing process for PPE 650 typically involves embedding within the PPE sufficient software that will allow the device to be more completely initialized at a later time. This manufacturing process may include, for example, testing the bootstrap loader and challenge-response software permanently stored within PPE 650, and loading the PPE's unique ID. These steps provide a

basic VDE-capable PPE 650 that may be further initialized (e.g., after it has been installed within an electronic appliance 600 and placed in the field). In some cases, the manufacturing and further initialization processes may be combined to produce "VDE ready" PPEs 650. This description elaborates on the summary presented above with respect to Figures 64 and 65.

Figure 68 shows an example of steps that may be performed in accordance with one preferred embodiment to initialize a PPE 650. Some of the steps shown in this flowchart may be performed at the manufacturing site, and some may be performed remotely through contact between a VDE administrator and the PPE 650. Alternatively, all of the steps shown in the diagram may be performed at the manufacturing site, or all of the steps shown may be performed through remote communications between the PPE 500 and a VDE administrator.

If the initialization process 1370 is being performed at the manufacturer, PPE 650 may first be attached to a testbed. The manufacturing testbed may first reset the PPE 650 (e.g., with a power on clear) (Block 1372). If this reset is being performed at the manufacturer, then the PPE 650 preferably executes a special testbed bootstrap code that completely tests the PPE operation from a software standpoint and fails if something is wrong with the PPE. A secure communications exchange may

then be established between the manufacturing testbed and the PPE 650 using an initial challenge-response interaction (Block 1374) that is preferably provided as part of the testbed bootstrap process. Once this secure communications has been established, the PPE 650 may report the results of the bootstrap tests it has performed to the manufacturing testbed. Assuming the PPE 650 has tested successfully, the manufacturing testbed may download new code into the PPE 650 to update its internal bootstrap code (Block 1376) so that it does not go through the testbed bootstrap process upon subsequent resets (Block 1376). The manufacturing testbed may then load new firmware into the PPE internal non-volatile memory in order to provide additional standard and/or customized capabilities (Block 1378). For example, the manufacturing testbed may preload PPE 650 with the load modules appropriate for the particular manufacturing lot. This step permits the PPE 500 to be customized at the factory for specific applications.

The manufacturing testbed may next load a unique device ID into PPE 650 (Block 1380). PPE 650 now carries a unique ID that can be used for further interactions.

Blocks 1372-1380R typically are, in the preferred embodiment, performed at the manufacturing site. Blocks 1374

and 1382-1388 may be performed either at the manufacturing site, after the PPE 650 has been deployed, or both.

To further initialize PPE 650, once a secure communications has been established between the PPE and the manufacturing testbed or a VDE administrator (Block 1374), any required keys, tags or certificates are loaded into PPE 650 (Block 1382). For example, the manufacturing test bed may load its information into PPE 650 so the PPE may be initialized at a later time. Some of these values may be generated internally within PPE 650. The manufacturing testbed or VDE administrator may then initialize the PPE real time clock 528 to the current real time value (Block 1384). This provides a time and date reference for the PPE 650. The manufacturing testbed or the VDE administrator may next initialize the summary values maintained internally to the PPE 500 (Block 1386). If the PPE 650 is already installed as part of an electronic appliance 600, the PPE may at this point initialize its secure database 610 (Block 1388).

Figure 69 shows an example of program control steps performed by PPE 650 as part of a firmware download process (See Figure 68, Block 1378). The PPE download process is used to load externally provided firmware and/or data elements into the PPE. Firmware loads may take two forms: permanent loads



for software that remains resident in the PPE 650; and transient loads for software that is being loaded for execution. A related process for storing into the secure database 610 is performed for elements that have been sent to a VDE electronic appliance 600.

PPE 650 automatically performs several checks to ensure that firmware being downloaded into the PPE has not been tampered with, replaced, or substituted before it was loaded. The download routine 1390 shown in the figure illustrates an example of such checks. Once the PPE 650 has received a new firmware item (Block 1392), it may check the item to ensure that it decrypts properly using the predetermined download or administrative object key (depending on the source of the element) (decision Block 1394). If the firmware decrypts properly ("yes" exits to decision Block 1394), the firmware as check valve may be calculated and compared against the check valve stored under the encryption wrapper of the firmware (decision Block 1396). If the two check summed values compare favorably ("yes" exit to decision Block 1396), then the PPE 650 may compare the public and private header identification tags associated with the firmware to ensure that the proper firmware was provided and had not been substituted (step not shown in the figure). Assuming this test also passes, the PPE 500 may calculate the digital signatures of the firmware (assuming digital signatures are supported by the PPE 650 and the firmware is "signed") and

may check the calculated signature to ensure that it compares favorably to the digital signatures under the firmware encryption wrapper (Blocks 1398, 1400). If any of these tests fail, then the download will be aborted ("fail" termination 1401).

Assuming all of the tests described above pass, then PPE 650 determines whether the firmware is to be stored within the PPE (e.g., an internal non-volatile memory), or whether it is to be stored in the secure database 610 (decision Block 1402). If the firmware is to be stored within the PPE ("yes" exit to decision Block 1402), then the PPE 500 may simply store the information internally (Block 1404). If the firmware is to be stored within the secure database 610 ("no" exit to decision Block 1402), then the firmware may be tagged with a unique PPE-specific tag designed to prevent record substitution (Block 1406), and the firmware may then be encrypted using the appropriate secure database key and released to the secure database 610 (Block 1408).

#### **Networking SPUs 500 and/or VDE Electronic Appliances 600**

In the context of many computers interconnected by a local or wide area network, it would be possible for one or a few of them to be VDE electronic appliances 600. For example, a VDE-capable server might include one or more SPUs 500. This centralized VDE server could provide all VDE services required within the network or it can share VDE service with VDE server

nodes; that is, it can perform a few, some, or most VDE service activities. For example, a user's non-VDE computer could issue a request over the network for VDE-protected content. In response to the request, the VDE server could comply by accessing the appropriate VDE object 300, releasing the requested content and delivering the content over the network 672 to the requesting user. Such an arrangement would allow VDE capabilities to be easily integrated into existing networks without requiring modification or replacement of the various computers and other devices connected to the networks.

For example, a VDE server having one or more protected processing environments 650 could communicate over a network with workstations that do not have a protected processing environment. The VDE server could perform all secure VDE processing, and release resulting content and other information to the workstations on the network. This arrangement would require no hardware or software modification to the workstations.

However, some applications may require greater security, flexibility and/or performance that may be obtained by providing multiple VDE electronic appliances 600 connected to the same network 672. Because commonly-used local area networks constitute an insecure channel that may be subject to tampering

and/or eavesdropping, it is desirable in most secure applications to protect the information communicated across the network. It would be possible to use conventional network security techniques to protect VDE-released content or other VDE information communicated across a network 672 between a VDE electronic appliance 600 and a non-VDE electronic appliance. However, advantages are obtained by providing multiple networked VDE electronic appliances 600 within the same system.

As discussed above in connection with Figure 8, multiple VDE electronic appliances 600 may communicate with one another over a network 672 or other communications path. Such networking of VDE electronic appliances 600 can provide advantages. Advantages include, for example, the possibility of centralizing VDE resources, storing and/or archiving metering information on a server VDE and delivering information and services efficiently across the network 672 to multiple electronic appliances 600.

For example, in a local area network topology, a "VDE server" electronic appliance 600 could store VDE-protected information and make it available to one or more additional electronic appliances 600 or computers that may communicate with the server over network 672. As one example, an object

repository 728 storing VDE objects could be maintained at the centralized server, and each of many networked electronic appliance 600 users could access the centralized object repository over the network 672 as needed. When a user needs to access a particular VDE object 300, her electronic appliance 600 could issue a request over network 672 to obtain a copy of the object. The "VDE server" could deliver all or a portion of the requested object 300 in response to the request. Providing such a centralized object repository 728 would have the advantage of minimizing mass storage requirements local to each electronic appliance 600 connected to the network 672, eliminate redundant copies of the same information, ease information management burdens, provide additional physical and/or other security for particularly important VDE processes and/or information occurring at the server, where providing such security at VDE nodes may be commercially impractical for certain business models, etc.

It may also be desirable to centralize secure database 610 in a local area network topology. For example, in the context of a local area network, a secure database 610 server could be provided at a centralized location. Each of several electronic appliances 600 connected to a local area network 672 could issue requests for secure database 610 records over the network, and receive those records via the network. The records could be

provided over the network in encrypted form. "Keys" needed to decrypt the records could be shared by transmitting them across the network in secure communication exchanges. Centralizing secure database 610 in a network 672 has potential advantages of minimizing or eliminating secondary storage and/or other memory requirements for each of the networked electronic appliances 600, avoiding redundant information storage, allowing centralized backup services to be provided, easing information management burdens, etc.

One way to inexpensively and conveniently deploy multiple instances of VDE electronic appliances 600 across a network would be to provide network workstations with software defining an HPE 655. This arrangement requires no hardware modification of the workstations; an HPE 655 can be defined using software only. An SPE(s) 503 and/or HPE(s) 655 could also be provided within a VDE server. This arrangement has the advantage of allowing distributed VDE network processing without requiring workstations to be customized or modified (except for loading a new program(s) into them). VDE functions requiring high levels of security may be restricted to an SPU-based VDE server. "Secure" HPE-based workstations could perform VDE functions requiring less security, and could also coordinate their activities with the VDE server.

Thus, it may be advantageous to provide multiple VDE electronic appliances 600 within the same network. It may also be advantageous to provide multiple VDE electronic appliances 600 within the same workstation or other electronic appliance 600. For example, an electronic appliance 600 may include multiple electronic appliances 600 each of which have a SPU 500 and are capable of performing VDE functions.

For example, one or more VDE electronic appliances 600 can be used as input/output device(s) of a computer system. This may eliminate the need to decrypt information in one device and then move it in unencrypted form across some bus or other unsecured channel to another device such as a peripheral. If the peripheral device itself is a VDE electronic appliance 600 having a SPU 500, VDE-protected information may be securely sent to the peripheral across the insecure channel for processing (e.g., decryption) at the peripheral device. Giving the peripheral device the capability of handling VDE-protected information directly also increases flexibility. For example, the VDE electronic appliance 600 peripheral device may control VDE object 300 usage. It may, for example, meter the usage or other parameters associated with the information it processes, and it may gather audit trails and other information specific to the processing it performs in order to provide greater information gathering about VDE object usage. Providing multiple

cooperating VDE electronic appliances 600 may also increase performance by eliminating the need to move encrypted information to a VDE electronic appliance 600 and then move it again in unencrypted form to a non-VDE device. The VDE-protected information can be moved directly to its destination device which, if VDE-capable, may directly process it without requiring involvement by some other VDE electronic appliance 600.

Figure 70 shows an example of an arrangement 2630 comprising multiple VDE electronic appliances 600(1), 600(2), 600(3), . . . , 600(N). VDE electronic appliances 600(1) . . . 600(N) may communicate with one another over a communications path 2631 (e.g., the system bus of a work station, a telephone or other wire, a cable, a backplane, a network 672, or any other communications mechanism). Each of the electronic appliances 600 shown in the figure may have the same general architecture shown in Figure 8, i.e., they may each include a CPU (or microcontroller) 654, SPU 500, RAM 656, ROM 658, and system bus 653. Each of the electronic appliances 600 shown in the figure may have an interface/controller 2632 (which may be considered to be a particular kind of I/O controller 660 and/or communications controller 666 shown in Figure 8). This interface/controller 2632 provides an interface between the electronic appliance system bus 653 and an appropriate electrical



connector 2634. Electrical connectors 2634 of each of the respective electronic appliances 600(1), . . . 600(N) provide a connection to a common network 672 or other communication paths.

Although each of electronic appliances 600 shown in the figure may have a generally similar architecture, they may perform different specialized tasks. For example, electronic appliance 600(1) might comprise a central processing section of a workstation responsible for managing the overall operation of the workstation and providing computation resources. Electronic appliance 600(2) might be a mass storage device 620 for the same workstation, and could provide a storage mechanism 2636 that might, for example, read information from and write information to a secondary storage device 652. Electronic appliance 600(3) might be a display device 614 responsible for performing display tasks, and could provide a displaying mechanism 2638 such as a graphics controller and associated video or other display. Electronic appliance 600(N) might be a printer 622 that performs printing related tasks and could include, for example, a print mechanism 2640.

Each of electronic appliances 600(1), . . . 600(N) could comprise a different module of the same workstation device all contained within a common housing, or the different electronic

appliances could be located within different system components. For example, electronic appliance 600(2) could be disposed within a disk controller unit, electronic appliance 600(3) could be disposed within a display device 614 housing, and the electronic appliance 600(N) could be disposed within the housing of a printer 622. Referring back to Figure 7, scanner 626, modem 618, telecommunication means 624, keyboard 612 and/or voice recognition box 613 could each comprise a VDE electronic appliance 600 having its own SPU 500. Additional examples include RF or otherwise wireless interface controller, a serial interface controller, LAN controllers, MPEG (video) controllers, etc.

Because electronic appliances 600(1) . . . 600(N) are each VDE-capable, they each have the ability to perform encryption and/or decryption of VDE-protected information. This means that information communicated across network 672 or other communications path 2631 connecting the electronic appliances can be VDE-protected (e.g., it may be packaged in the form of VDE administrative and/or content objects and encrypted as discussed above). One of the consequences of this arrangement is that an eavesdropper who taps into communications path 2631 will not be able obtain information except in VDE-protected form. For example, information generated by electronic appliance 600 (1) to be printed could be packaged in a VDE content object 300

and transmitted over path 2631 to electronic appliance 600 (N) for printing. An attacker would gain little benefit from intercepting this information since it is transmitted in protected form; she would have to compromise electronic appliance 600(1) or 600(N) (or the SPU 500(1), 500(N)) in order to access this information in unprotected form.

Another advantage provided by the arrangement shown in the diagram is that each of electronic appliances 600(1), . . . 600(N) may perform their own metering, control and/or other VDE-related functions. For example, electronic appliance 600(N) may meter and/or perform any other VDE control functions related to the information to be printed, electronic appliance 600(3) may meter and/or perform any other VDE control functions related to the information to be displayed, electronic appliance 600(2) may meter and/or perform any other VDE control functions related to the information to be stored and/or retrieved from mass storage 620, and electronic appliance 600(1) may meter and/or perform any other VDE control functions related to the information it processes.

In one specific arrangement, each of electronic appliances 600(1), . . . 600(N) would receive a command that indicates that the information received by or sent to the electronic appliance is to use its SPU 500 to process the information to follow. For

example, electronic appliance 600(N) might receive a command that indicates that information it is about to receive for printing is in VDE-protected form (or the information that is sent to it may itself indicate this). Upon receiving this command or other information, electronic appliance 600(N) may decrypt the received information using SPU 500, and might also meter the information the SPU provides to the print mechanism 2644 for printing. An additional command might be sent to electronic appliance 600(N) to disable the decryption process or 600(N)'s VDE secure subsystem may determine that the information should not be decrypted and/or printed. Additional commands, for example, may exist to load encryption/decryption keys, load "limits," establish "fingerprinting" requirements, and read metered usage. These additional commands may be sent in encrypted or unencrypted form as appropriate.

Suppose, for example, that electronic appliance 600(1) produces information it wishes to have printed by a VDE-capable printer 622. SPU 500(1) could establish a secure communications across path 2631 with SPU 500(N) to provide a command instructing SPU 500(N) to decrypt the next block of data and store it as a decryption key and a limit. SPU 500(1) might then send a further command to SPU 500(N) to use the decryption key and associated limit to process any following encrypted print stream (or this command could be sent by CPU 654(1) to

microcontroller 654(N)). Electronic appliance 600(1) could then begin sending encrypted information on path 672 for decryption and printing by printer 622. Upon receipt of each new block of information by printer 622, SPU 500(N) might first check to ensure that the limit is greater than zero. SPU 500(N) could then increment a usage meter value it maintains, and decrement the limit value. If the limit value is non-zero, SPU 500(N) could decrypt the information it has received and provide it to print mechanism 2640 for printing. If the limit is zero, then SPU 500(N) would not send the received information to the print mechanism 2640, nor would it decrypt it. Upon receipt of a command to stop, printer 622 could revert to a "non-secure" mode in which it would print everything received by it across path 2631 without permitting VDE processing.

The SPU 500(N) associated with printer 622 need not necessarily be disposed within the housing of the printer, but could instead be placed within an I/O controller 660 for example (see Figure 8). This would allow at least some of the advantages similar to the ones discussed above to be provided without requiring a special VDE-capable printer 622. Alternatively, a SPU 500(N) could be provided both within printer 622 and within I/O controller 660 communicating with the printer to provide advantages in terms of coordinating I/O control and relieving processing burdens from the SPU 500 associated with the central

processing electronic appliance 600(1). When multiple VDE instances occur within an electronic appliance, one or more VDE secure subsystems may be "central" subsystems, that is "secondary" VDE instances may pass encrypted usage related information to one or more central secure subsystems so as to allow said central subsystem to directly control storage of said usage related information. Certain control information may also be centrally stored by a central subsystem and all or a portion of such information may be securely provided to the secondary secure subsystem upon its secure VDE request.

#### **Portable Electronic Appliance**

Electronic appliance 600 provided by the present invention may be portable. Figure 71 shows one example of a portable electronic appliance 2600. Portable appliance 2600 may include a portable housing 2602 that may be about the size of a credit card in one example. Housing 2602 may connect to the outside world through, for example, an electrical connector 2604 having one or more electrical contact pins (not shown). Connector 2604 may electrically connect an external bus interface 2606 internal to housing 2602 to a mating connector 2604a of a host system 2608. External bus interface 2606 may, for example, comprise a PCMCIA (or other standard) bus interface to allow portable appliance 2600 to interface with and communicate over a bus 2607 of host system 2608. Host 2608 may, for example, be almost

any device imaginable, such as a computer, a pay telephone, another VDE electronic appliance 600, a television, an arcade video game, or a washing machine, to name a few examples.

Housing 2602 may be tamper resistant. (See discussion above relating to tamper resistance of SPU barrier 502.)

Portable appliance 2600 in the preferred embodiment includes one or more SPUs 500 that may be disposed within housing 2602. SPU 500 may be connected to external bus interface 2606 by a bus 2610 internal to housing 2602. SPU 500 communicates with host 2608 (through external bus interface 2606) over this internal bus 2610.

SPU 500 may be powered by a battery 2612 or other portable power supply that is preferably disposed within housing 2602. Battery 2612 may be, for example, a miniature battery of the type found in watches or credit card sized calculators. Battery 2612 may be supplemented (or replaced) by solar cells, rechargeable batteries, capacitive storage cells, etc.

A random access memory (RAM) 2614 is preferably provided within housing 2602. RAM 2614 may be connected to SPU 500 and not directly connected to bus 2610, so that the contents of RAM 2614 may be accessed only by the SPU and not

by host 2608 (except through and as permitted by the SPU). Looking at Figure 9 for a moment, RAM 2614 may be part of RAM 534 within the SPU 500, although it need not necessarily be contained within the same integrated circuit or other package that houses the rest of the SPU.

Portable appliance 2600 RAM 534 may contain, for example, information which can be used to uniquely identify each instance of the portable appliance. This information may be employed (e.g. as at least a portion of key or password information) in authentication, verification, decryption, and/or encryption processes.

Portable appliance 2600 may, in one embodiment, comprise means to perform substantially all of the functions of a VDE electronic appliance 600. Thus, for example, portable appliance 2600 may include the means for storing and using permissions, methods, keys, programs, and/or other information, and can be capable of operating as a "stand alone" VDE node.

In a further embodiment, portable appliance 2600 may perform preferred embodiment VDE functions once it has been coupled to an additional external electronic appliance 600. Certain information, such as database management permission(s), method(s), key(s), and/or other important



information (such as at least a portion of other VDE programs: administrative, user-interface, analysis, etc.) may be stored (for example as records) at an external VDE electronic appliance 600 that may share information with portable appliance 2600.

One possible "stand alone" configuration for tamper-resistant, portable appliance 2600 arrangements includes a tamper-resistant package (housing 2602) containing one or more processors (500, 2616) and/or other computing devices and/or other control logic, along with random-access-memory 2614. Processors 500, 2616 may execute permissions and methods wholly (or at least in part) within the portable appliance 2600. The portable appliance 2600 may have the ability to encrypt information before the information is communicated outside of the housing 2602 and/or decrypt received information when said received information is received from outside of the housing. This version would also possess the ability to store at least a portion of permission, method, and/or key information securely within said tamper resistant portable housing 2602 on non-volatile memory.

Another version of portable appliance 2600 may obtain permissions and/or methods and/or keys from a local VDE electronic appliance 600 external to the portable appliance 2600 to control, limit, or otherwise manage a user's use of a VDE

protected object. Such a portable appliance 600 may be contained within, received by, installed in, or directly connected to, another electronic appliance 2600.

One example of a "minimal" configuration of portable appliance 2600 would include only SPU 500 and battery 2612 within housing 2602 (the external bus interface 2606 and the RAM 2614 would in this case each be incorporated into the SPU block shown in the Figure). In other, enhanced examples of portable appliance 2600, any or all of the following optional components may also be included within housing 2602:

- one or more CPUs 2616 (with associated support components such as RAM-ROM 2617, I/O controllers (not shown), etc.);
- one or more display devices 2618;
- one or more keypads or other user input buttons/control information 2620;
- one or more removable/replaceable memory device(s) 2622;
- and
- one or more printing device(s) 2624.

In such more enhanced versions, the display 2618, keypad 2620, memory device 2622 and printer 2624 may be connected to bus 2610, or they might be connected to CPU 2616 through an I/O port/controller portion (not shown) of the CPU. Display 2618 may

be used to display information from SPU 500, CPU 2616 and/or host 2608. Keypad 2620 may be used to input information to SPU 500, CPU 2616 and/or host 2608. Printer 2624 may be used to print information from any/all of these sources.

Removable/replaceable memory 2622 may comprise a memory cartridge or memory medium such as a bulk storage device, for providing additional long-term or short-term storage. Memory 2622 may be easily removable from housing 2602 if desired.

In one example embodiment, portable appliance 2600 may have the form factor of a "smart card" (although a "smart card" form factor may provide certain advantages, housing 2602 may have the same or different form factor as "conventional" smart cards). Alternatively, such a portable electronic appliance 2600 may, for example, be packaged in a PCMCIA card configuration (or the like) which is currently becoming quite popular on personal computers and is predicted to become common for desk-top computing devices and Personal Digital Assistants. One advantageous form factor for the portable electronic appliance housing 2602 may be, for example, a Type 1, 2, or 3 PCMCIA card (or other derivations) having credit card or somewhat larger dimensions. Such a form factor is conveniently portable, and may be insertable into a wide array of computers and consumer appliances, as well as receptacles at commercial establishments such as retail establishments and banks, and at public

communications points, such as telephone or other telecommunication "booths."

Housing 2602 may be insertable into and removable from a port, slot or other receptacle provided by host 2608 so as to be physically (or otherwise operatively) connected to a computer or other electronic appliance. The portable appliance connector 2604 may be configured to allow easy removability so that appliance 2600 may be moved to another computer or other electronic appliance at a different location for a physical connection or other operative connection with that other device.

Portable electronic appliance 2600 may provide a valuable and relatively simple means for a user to move permissions and methods between their (compatible) various electronic appliances 600, such as between a notebook computer, a desktop computer and an office computer. It could also be used, for example, to allow a consumer to visit a next door neighbor and allow that neighbor to watch a movie that the consumer had acquired a license to view, or perhaps to listen to an audio record on a large capacity optical disk that the consumer had licensed for unlimited plays.

Portable electronic appliance 2600 may also serve as a "smart card" for financial and other transactions for users to

employ in a variety of other applications such as, for example, commercial applications. The portable electronic appliance 2600 may, for example, carry permission and/or method information used to authorize (and possibly record) commercial processes and services.

An advantage of using the preferred embodiment VDE portable appliance 2600 for financial transactions such as those typically performed by banks and credit card companies is that VDE allows financial clearinghouses (such as VISA, MasterCard, or American Express) to experience significant reductions in operating costs. The clearinghouse reduction in costs result from the fact that the local metering and budget management that occurs at the user site through the use of a VDE electronic appliance 600 such as portable appliance 2600 frees the clearinghouse from being involved in every transaction. In contrast to current requirements, clearinghouses will be able to perform their functions by periodically updating their records (such as once a month). Audit and/or budget "roll-ups" may occur during a connection initiated to communicate such audit and/or budget information and/or through a connection that can occur at periodic or relatively periodic intervals and/or during a credit updating, purchasing, or other portable appliance 2600 transaction.

Clearinghouse VDE digital distribution transactions would require only occasional authorization and/or audit or other administrative "roll-ups" to the central service, rather than far more costly connections during each session. Since there would be no requirement for the maintenance of a credit card purchase "paper trail" (the authorization and then forwarding of the credit card slip), there could be substantial cost reductions for clearinghouses (and, potentially, lower costs to users) due to reduction in communication costs, facilities to handle concurrent processing of information, and paper handling aspects of transaction processing costs. This use of a portable appliance 2600 would allow credit enforcement to exploit distributed processing employing the computing capability in each VDE electronic appliance 600. These credit cost and processing advantages may also apply to the use of non-smart card and non-portable VDE electronic appliance 600s.

Since VDE 100 may be configured as a highly secure commercial environment, and since the authentication processes supported by VDE employ digital signature processes which provide a legal validation that should be equivalent to paper documentation and handwritten signatures, the need for portable appliance 2600 to maintain paper trails, even for more costly transactions, is eliminated. Since auditable billing and control mechanisms are built into VDE 100 and automated, they may

replace traditional electronic interfaces to VISA, Master Card, AMEX, and bank debit accounts for digitally distributed other products and services, and may save substantial operating costs for such clearinghouses.

Portable appliance 2600 may, if desired, maintain for a consumer a portable electronic history. The portable history can be, for example, moved to an electronic "dock" or other receptacle, in or operatively connected to, a computer or other consumer host appliance 2608. Host appliance 2608 could be, for example, an electronic organizer that has control logic at least in part in the form of a microcomputer and that stores information in an organized manner, e.g., according to tax and/or other transaction categories (such as type of use or activity). By use of this arrangement, the consumer no longer has to maintain receipts or otherwise manually track transactions but nevertheless can maintain an electronic, highly secure audit trail of transactions and transaction descriptions. The transaction descriptions may, for example, securely include the user's digital signature, and optionally, the service or goods provider's digital signature.

When a portable appliance 2600 is "docked" to a host 2608 such as a personal computer or other electronic appliance (such as an electronic organizer), the portable appliance 2600 could communicate interim audit information to the host. In one

embodiment, this information could be read, directly or indirectly, into a computer or electronic organizer money and/or tax management program (for example, Quicken or Microsoft Money and/or Turbo Tax and/or Andrew Tobias' Managing Your Money). This automation of receipt management would be an enormous boon to consumers, since the management and maintenance of receipts is difficult and time-consuming, receipts are often lost or forgotten, and the detail from credit card billings is often wholly inadequate for billing and reimbursement purposes since credit card billings normally don't provide sufficient data on the purchased items or significant transaction parameters.

In one embodiment, the portable appliance 2600 could support secure (in this instance encrypted and/or authenticated) two-way communications with a retail terminal which may contain a VDE electronic appliance 600 or communicate with a retailer's or third party provider's VDE electronic appliance 600. During such a secure two-way communication between, for example, each participant's secure VDE subsystem, portable appliance 2600 VDE secure subsystem may provide authentication and appropriate credit or debit card information to the retail terminal VDE secure subsystem. During the same or different communication session, the terminal could similarly, securely communicate back to the portable appliance 2600 VDE



secure subsystem details as to the retail transaction (for example, what was purchased and price, the retail establishment's digital signature, the retail terminal's identifier, tax related information, etc.).

For example, a host 2608 receptacle for receiving and/or attaching to portable appliance 2600 could be incorporated into or operatively connected to, a retail or other commercial establishment terminal. The host terminal 2608 could be operated by either a commercial establishment employee or by the portable appliance 2600 holder. It could be used to, for example, input specific keyboard and/or voice input specific information such as who was taken to dinner, why something was purchased, or the category that the information should be attached to. Information could then be automatically "parsed" and routed into securely maintained (for example, encrypted) appropriate database management records within portable appliance 2600. Said "parsing" and routing would be securely controlled by VDE secure subsystem processes and could, for example, be based on category information entered in by the user and/or based on class of establishment and/or type (category) of expenditure information (or other use). Categorization can be provided by the retail establishment, for example, by securely communicating electronic category information as a portion, for example, of electronic receipt information or alternatively by

printing a hard copy receipt using printer 2624. This process of categorization may take place in the portable appliance 2600 or, alternatively, it could be performed by the retail establishment and periodically "rolled-up" and communicated to the portable appliance 2600 holder.

Retail, clearinghouse, or other commercial organizations may maintain and use by securely communicating to appliance 2600 one or more of generic classifications of transaction types (for example, as specified by government taxation rules) that can be used to automate the parsing of information into records and/or for database information "roll-ups" for; and/or in portable appliance 2600 or one or more associated VDE nodes. In such instances, host 2608 may comprise an auxiliary terminal, for example, or it could comprise or be incorporated directly within a commercial establishments cash registers or other retail transactions devices. The auxiliary terminal could be menu and/or icon driven, and allow very easy user selection of categorization. It could also provide templates, based on transaction type, that could guide the user through specifying useful or required transaction specific information (for example, purpose for a business dinner and/or who attended the dinner). For example, a user might select a business icon, then select from travel, sales, meals, administration, or purchasing icons for example, and then might enter in very specific information

and/or a key word, or other code that might cause the downloading of a transaction's detail into the portable appliance 2600. This information might also be stored by the commercial establishment, and might also be communicated to the appropriate government and/or business organizations for validation of the reported transactions (the high level of security of auditing and communications and authentication and validation of VDE should be sufficiently trusted so as not to require the maintenance of a parallel audit history, but parallel maintenance may be supported, and maintained at least for a limited period of time so as to provide backup information in the event of loss or "failure" of portable appliance 2600 and/or one or more appliance 2600 associated VDE installations employed by appliance 2600 for historical and/or status information record maintenance). For example, of a retail terminal maintained necessary transaction information concerning a transaction involving appliance 2600, it could communicate such information to a clearinghouse for archiving (and/or other action) or it could periodically, for example, at the end of a business day, securely communicate such information, for example, in the form of a VDE content container object, to a clearinghouse or clearinghouse agent. Such transaction history (and any required VDE related status information such as available credit) can be maintained and if necessary, employed to reconstruct the information in a portable appliance 2600 so as to allow a replacement appliance to

be provided to an appliance 2600 user or properly reset internal information in data wherein such replacement and/or resetting provides all necessary transaction and status information.

In a retail establishment, the auxiliary terminal host 2608 might take the form of a portable device presented to the user, for example at the end of a meal. The user might place his portable appliance 2600 into a smart card receptacle such as a PCMCIA slot, and then enter whatever additional information that might appropriately describe the transaction as well as satisfying whatever electronic appliance 600 identification procedure(s) required. The transaction, given the availability of sufficient credit, would be approved, and transaction related information would then be communicated back from the auxiliary terminal directly into the portable appliance 2600. This would be a highly convenient mode of credit usage and record management.

The portable device auxiliary terminal might be "on-line," that is electronically communicating back to a commercial establishment and/or third party information collection point through the use of cellular, satellite, radio frequency, or other communications means. The auxiliary terminal might, after a check by a commercial party in response to receipt of certain identification information at the collection point, communicate back to the auxiliary terminal whether or not to accept the

portable appliance 2600 based on other information, such as a bad credit record or a stolen portable appliance 2600. Such a portable auxiliary terminal would also be very useful at other commercial establishments, for example at gasoline stations, rental car return areas, street and stadium vendors, bars, and other commercial establishments where efficiency would be optimized by allowing clerks and other personnel to consummate transactions at points other than traditional cash register locations.

As mentioned above, portable appliance 2600 may communicate from time to time with other electronic appliances 600 such as, for example, a VDE administrator. Communication during a portable appliance 2600 usage session may result from internally stored parameters dictating that the connection should take place during that current session (or next or other session) of use of the portable appliance. The portable appliance 600 can carry information concerning a real-time date or window of time or duration of time that will, when appropriate, require the communication to take place (e.g., perhaps before the transaction or other process which has been contemplated by the user for that session or during it or immediately following it). Such a communication can be accomplished quickly, and could be a secure, VDE two-way communication during which information is communicated to a central information handler. Certain other

information may be communicated to the portable appliance 2600 and/or the computer or other electronic appliance to which the portable appliance 2600 has been connected. Such communicated other information can enable or prevent a contemplated process from proceeding, and/or make the portable appliance 2600, at least in part, unusable or useable. Information communicated to the portable appliance 2600 could include one or more modifications to permissions and methods, such as a resetting or increasing of one or more budgets, adding or withdrawing certain permissions, etc.

The permissions and/or methods (i.e., budgets) carried by the portable appliance 2600 may have been assigned to it in conjunction with an "encumbering" of another, stationary or other portable VDE electronic appliance 600. In one example, a portable appliance 2600 holder or other VDE electronic appliance 600 and/or VDE electronic appliance 600 user could act as "guarantor" of the financial aspects of a transaction performed by another party. The portable appliance 2600 of the holder would record an "encumbrance," which may be, during a secure communication with a clearinghouse, be recorded and maintained by the clearinghouse and/or some other financial services party until all or a portion of debt responsibilities of the other party were paid or otherwise satisfied. Alternatively or in addition, the encumbrance may also be maintained within the

portable appliance 2600, representing the contingent obligation of the guarantor. The encumbrance may be, by some formula, included in a determination of the credit available to the guarantor. The credit transfer, acceptance, and/or record management, and related processes, may be securely maintained by the security features provided by aspects of the present invention. Portable appliance 600 may be the sole location for said permissions and/or methods for one or more VDE objects 300, or it may carry budgets for said objects that are independent of budgets for said objects that are found on another, non-portable VDE electronic appliance 600. This may allow budgets, for example, to be portable, without requiring "encumbering" and budget reconciliation.

Portable VDE electronic appliance 2600 may carry (as may other VDE electronic appliance 600s described) information describing credit history details, summary of authorizations, and usage history information (e.g., audit of some degree of transaction history or related summary information such as the use of a certain type/class of information) that allows re-use of certain VDE protected information at no cost or at a reduced cost. Such usage or cost of usage may be contingent, at least in part, on previous use of one or more objects or class of objects or amount of use, etc., of VDE protected information.

Portable appliance 2600 may also carry certain information which may be used, at least in part, for identification purposes. This information may be employed in a certain order (e.g. a pattern such as, for example, based on a pseudo-random algorithm) to verify the identity of the carrier of the portable appliance 2600. Such information may include, for example, one's own or a wife's and/or other relatives maiden names, social security number or numbers of one's own and/or others, birth dates, birth hospital(s), and other identifying information. It may also or alternatively provide or include one or more passwords or other information used to identify or otherwise verify/authenticate an individual's identity, such as voice print and retinal scan information. For example, a portable appliance 2600 can be used as a smart card that carries various permissions and/or method information for authorizations and budgets. This information can be stored securely within portable appliance 2600 in a secure database 610 arrangement. When a user attempts to purchase or license an electronic product or otherwise use the "smart card" to authorize a process, portable appliance 2600 may query the user for identification information or may initiate an identification process employing scanned or otherwise entered information (such as user fingerprint, retinal or voice analysis or other techniques that may, for example, employ mapping and/or matching of provided characteristics to information securely stored within the portable appliance 2600).



The portable appliance 2600 may employ different queries at different times (and/or may present a plurality of queries or requests for scanning or otherwise entering identifying information) so as to prevent an individual who has come into possession of appropriate information for one or more of the "tests" of identity from being able to successfully employ the portable appliance 2600.

A portable appliance 600 could also have the ability to transfer electronic currency or credit to another portable appliance 2600 or to another individual's account, for example, using secure VDE communication of relevant content between secure VDE subsystems. Such transfer may be accomplished, for example, by telecommunication to, or presentation at, a bank which can transfer credit and/or currency to the other account. The transfer could also occur by using two cards at the same portable appliance 2600 docking station. For example, a credit transaction workstation could include dual PCMCIA slots and appropriate credit and/or currency transfer application software which allows securely debiting one portable appliance 2600 and "crediting" another portable appliance (i.e., debiting from one appliance can occur upon issuing a corresponding credit and/or currency to the other appliance). One portable appliance 600, for example, could provide an authenticated credit to another user. Employing two "smart card" portable appliance 600 would enable

the user of the providing of "credit" "smart card" to go through a transaction process in which said user provides proper identification (for example, a password) and identifies a "public key" identifying another "smart card" portable appliance 2600. The other portable appliance 2600 could use acceptance processes, and provide proper identification for a digital signature (and the credit and/or currency sender may also digitally sign a transaction certificate so the sending act may not be repudiated and this certificate may accompany the credit and/or currency as VDE container content. The transactions may involve, for example, user interface interaction that stipulates interest and/or other terms of the transfer. It may employ templates for common transaction types where the provider of the credit is queried as to certain parameters describing the agreement between the parties. The receiving portable appliance 2600 may iteratively or as a whole be queried as to the acceptance of the terms. VDE negotiation techniques described elsewhere in this application may be employed in a smart card transfer of electronic credit and/or currency to another VDE smart card or other VDE installation.

Such VDE electronic appliance 600/portable appliance 2600 credit transfer features would significantly reduce the overhead cost of managing certain electronic credit and/or currency activities by significantly automating these processes

through extending the computerization of credit control and credit availability that was begun with credit cards and extended with debit cards. The automation of credit extension and/or currency transfer and the associated distributed processing advantages described, including the absence of any requirement for centralized processing and telecommunications during each transaction, truly make credit and/or currency, for many consumers and other electronic currency and/or credit users, an efficient, trusted, and portable commodity.

The portable appliance 2600 or other VDE electronic appliance 600, can, in one embodiment, also automate many tax collection functions. A VDE electronic appliance 600 may, with great security, record financial transactions, identify the nature of the transaction, and identify the required sales or related government transaction taxes, debit the taxes from the users available credit, and securely communicate this information to one or more government agencies directly at some interval (for example monthly), and/or securely transfer this information to, for example, a financial clearinghouse, which would then transfer one or more secure, encrypted (or unsecure, calculated by clearinghouse, or otherwise computed) information audit packets (e.g., VDE content containers and employing secure VDE communication techniques) to the one or more appropriate, participating government agencies. The overall integrity and

security of VDE 100 could ensure, in a coherent and centralized manner, that electronic reporting of tax related information (derived from one or more electronic commerce activities) would be valid and comprehensive. It could also act as a validating source of information on the transfer of sales tax collection (e.g., if, for example, said funds are transferred directly to the government by a commercial operation and/or transferred in a manner such that reported tax related information cannot be tampered with by other parties in a VDE pathway of tax information handling). A government agency could select transactions randomly, or some subset or all of the reported transactions for a given commercial operation can be selected. This could be used to ensure that the commercial operation is actually paying to the government all appropriate collected funds required for taxes, and can also ensure that end-users are charged appropriate taxes for their transactions (including receipt of interest from bank accounts, investments, gifts, etc.

Portable appliance 2600 financial and tax processes could involve template mechanisms described elsewhere herein. While such an electronic credit and/or currency management capability would be particularly interesting if managed at least in part, through the use of a portable appliance 2600, credit and/or currency transfer and similar features would also be applicable

for non-portable VDE electronic appliance 600's connected to or installed within a computer or other electronic device.

#### **User Notification Exception Interface ("Pop Up") 686**

As described above, the User Modification Exception Interface 686 may be a set of user interface programs for handling common VDE functions. These applications may be forms of VDE templates and are designed based upon certain assumptions regarding important options, specifically, appropriate to a certain VDE user model and important messages that must be reported given certain events. A primary function of the "pop-up" user interface 686 is to provide a simple, consistent user interface to, for example, report metering events and exceptions (e.g., any condition for which automatic processing is either impossible or arguably undesirable) to the user, to enable the user to configure certain aspects of the operation of her electronic appliance 600 and, when appropriate, to allow the user to interactively control whether to proceed with certain transaction processes. If an object contains an exception handling method, that method will control how the "pop-up" user interface 686 handles specific classes of exceptions.

The "pop-user" interface 686 normally enables handling of tasks not dedicated to specific objects 300, such as for example:

- Logging onto an electronic appliance 600 and/or entering into a VDE related activity or class of activities,
- Configuring an electronic appliance 600 for a registered user, and/or generally for the installation, with regard to user preferences, and automatic handling of certain types of exceptions,
- Where appropriate, user selecting of meters for use with specific properties, and
- Providing an interface for communications with other electronic appliances 600, including requesting and/or for purchasing or leasing content from distributors, requesting clearinghouse credit and/or budgets from a clearinghouse, sending and/or receiving information to and/or from other electronic appliances, and so on.

Figure 72A shows an example of a common "logon" VDE electronic appliance 600 function that may use user interface 686. "Log-on" can be done by entering a user name, account name, and/or password. As shown in the provided example, a configuration option provided by the "pop-up" user interface 686 dialog can be "Login at Setup", which, if selected, will initiate a VDE Login procedure automatically every time the user's

electronic appliance 600 is turned on or reset. Similarly, the "pop-up" user interface 686 could provide an interface option called "Login at Type" which, if selected, will initiate a procedure automatically every time, for example, a certain type of object or specific content type application is opened such as a file in a certain directory, a computer application or file with a certain identifying extension, or the like.

Figure 72B shows an example of a "pop-up" user interface 686 dialog that is activated when an action by the user has been "trapped," in this case to warn the user about the amount of expense that will be incurred by the user's action, as well as to alert the user about the object 300 which has been requested and what that particular object will cost to use. In this example, the interface dialog provides a button allowing the user to request further detailed information about the object, including full text descriptions, a list of associated files, and perhaps a history of past usage of the object including any residual rights to use the object or associated discounts.

The "Cancel" button 2660 in Figure 72B cancels the user's trapped request. "Cancel" is the default in this example for this dialog and can be activated, for example, by the return and enter keys on the user's keyboard 612, by a "mouse click" on that button, by voice command, or other command mechanisms. The

"Approve button" 2662, which must be explicitly selected by a mouse click or other command procedure, allows the user to approve the expense and proceed. The "More options" control 2664 expands the dialog to another level of detail which provides further options, an example of which is shown in Figure 72C.

Figure 72C shows a secondary dialog that is presented to the user by the "pop-up" user interface 686 when the "More options" button 2664 in Figure 72B is selected by the user. As shown, this dialog includes numerous buttons for obtaining further information and performing various tasks.

In this particular example, the user is permitted to set "limits" such as, for example, the session dollar limit amount (field 2666), a total transaction dollar limit amount (field 2668), a time limit (in minutes) (field 2670), and a "unit limit" (in number of units such as paragraphs, pages, etc.) (field 2672). Once the user has made her selections, she may "click on" the OKAY button (2674) to confirm the limit selections and cause them to take effect.

Thus, pop-up user interface dialogues can be provided to specify user preferences, such as setting limits on budgets and/or other aspects of object content usage during any one session or over a certain duration of time or until a certain point in time.



Dialogs can also be provided for selecting object related usage options such as selecting meters and budgets to be used with one or more objects. Selection of options may be applied to types (that is classes) of objects by associating the instruction with one or more identifying parameters related to the desired one or more types. User specified configuration information can set default values to be used in various situations, and can be used to limit the number or type of occasions on which the user's use of an object is interrupted by a "pop-up" interface 686 dialog. For example, the user might specify that a user request for VDE protected content should be automatically processed without interruption (resulting from an exceptions action) if the requested processing of information will not cost more than \$25.00 and if the total charge for the entire current session (and/or day and/or week, etc.) is not greater than \$200.00 and if the total outstanding and unpaid charge for use hasn't exceeded \$2500.00.

Pop-up user interface dialogs may also be used to notify the user about significant conditions and events. For example, interface 686 may be used to:

- remind the user to send audit information to a clearinghouse,

- inform a user that a budget value is low and needs replenishing,
- remind the user to back up secure database 610, and
- inform the user about expirations of PERCs or other dates/times events.

Other important "pop-up" user interface 686 functions include dialogs which enable flexible browsing through libraries of properties or objects available for licensing or purchase, either from locally stored VDE protected objects and/or from one or more various, remotely located content providers. Such function may be provided either while the user's computer is connected to a remote distributor's or clearinghouse's electronic appliance 600, or by activating an electronic connection to a remote source after a choice (such as a property, a resource location, or a class of objects or resources is selected). A browsing interface can allow this electronic connection to be made automatically upon a user selection of an item, or the connection itself can be explicitly activated by the user. See Figure 72D for an example of such a "browsing" dialog.

#### **Smart Objects**

VDE 100 extends its control capabilities and features to "intelligent agents." Generally, an "intelligent agent" can act as

an emissary to allow a process that dispatches it to achieve a result the originating process specifies. Intelligent agents that are capable of acting in the absence of their dispatch process are particularly useful to allow the dispatching process to access, through its agent, the resources of a remote electronic appliance. In such a scenario, the dispatch process may create an agent (e.g., a computer program and/or control information associated with a computer program) specifying a particular desired task(s), and dispatch the agent to the remote system. Upon reaching the remote system, the "agent" may perform its assigned task(s) using the remote system's resources. This allows the dispatch process to, in effect, extend its capabilities to remote systems where it is not present.

Using an "agent" in this manner increases flexibility. The dispatching process can specify, through its agent, a particular desired task(s) that may not exist or be available on the remote system. Using such an agent also provides added trustedness; the dispatch process may only need to "trust" its agent, not the entire remote system. Agents have additional advantages.

Software agents require a high level of control and accountability to be effective, safe and useful. Agents in the form of computer viruses have had devastating effects worldwide. Therefore, a system that allows an agent to access it should be

able to control it or otherwise prevent the agent from damaging important resources. In addition, systems allowing themselves to be accessed by an agent should sufficiently trust the agent and/or provide mechanisms capable of holding the true dispatcher of the agent responsible for the agent's activities. Similarly, the dispatching process should be able to adequately limit and/or control the authority of the agents it dispatches or else it might become responsible for unforeseen activities by the agent (e.g., the agent might run up a huge bill in the course of following imprecise instructions it was given by the process that dispatched it).

These significant problems in using software agents have not been adequately addressed in the past. The open, flexible control structures provided by VDE 100 addresses these problems by providing the desired control and accountability for software agents (e.g., agent objects). For example, VDE 100 positively controls content access and usage, provides guarantee of payment for content used, and enforces budget limits for accessed content. These control capabilities are well suited to controlling the activities of a dispatched agent by both the process that dispatches the agent and the resource accessed by the dispatched agent.

One aspect of the preferred embodiment provided by the present invention provides a "smart object" containing an agent. Generally, a "smart object" may be a VDE object 300 that contains some type(s) of software programs ("agents") for use with VDE control information at a VDE electronic appliance 600. A basic "smart object" may comprise a VDE object 300 that, for example, contains (physically and/or virtually):

- a software agent, and

- at least one rule and/or control associated with the software agent that governs the agent's operation.

Although this basic structure is sufficient to define a "smart object," Figure 73 shows a combination of containers and control information that provides one example of a particularly advantageous smart object structure for securely managing and controlling the operation of software agents.

As shown in Figure 73, a smart object 3000 may be constructed of a container 300, within which is embedded one or more further containers (300z, 300y, etc.). Container 300 may further contain rules and control information for accessing and using these embedded containers 300z, 300y, etc. Container 300z embedded in container 300 is what makes the object 3000 a "smart object." It contains an "agent" that is managed and controlled by VDE 100.

The rules and control information 806f associated with container 300z govern the circumstances under which the agent may be released and executed at a remote VDE site, including any limitations on execution based on the cost of execution for example. This rule and control information may be specified entirely in container 300z, and/or may be delivered as part of container 300, as part of another container (either within container 300 or a separately deliverable container), and/or may be already present at the remote VDE site.

The second container 300y is optional, and contains content that describes the locations at which the agent stored in container 300z may be executed. Container 300y may also contain rules and control information 806e that describe the manner in which the contents of container 300y may be used or altered. This rule and control information 806e and/or further rules 300y(1) also contained within container 300y may describe searching and routing mechanisms that may be used to direct the smart object 3000 to a desired remote information resource. Container 300y may contain and/or reference rules and control information 300y(1) that specify the manner in which searching and routing information use and any changes may be paid for.

Container 300x is an optional content container that is initially "empty" when the smart object 3000 is dispatched to a

remote site. It contains rules and control information 300x(1) for storing the content that is retrieved by the execution of the agent contained in container 300z. Container 300x may also contain limits on the value of content that is stored in the retrieval container so as to limit the amount of content that is retrieved.

Other containers in the container 300 may include administrative objects that contain audit and billing trails that describe the actions of the agent in container 300z and any charges incurred for executing an agent at a remote VDE node. The exact structure of smart object 3000 is dependent upon the type of agent that is being controlled, the resources it will need for execution, and the types of information being retrieved.

The smart object 3000 in the example shown in Figure 73 may be used to control and manage the operation of an agent in VDE 100. The following detailed explanation of an example smart object transaction shown in Figure 74 may provide a helpful, but non-limiting illustration. In this particular example, assume a user is going to create a smart object 3000 that performs a library search using the "Very Fast and Efficient" software agent to search for books written about some subject of interest (e.g., "fire flies"). The search engine is designed to return a list of books to the user. The search engine in this example may spend no more than \$10.00 to find the appropriate books,

may spend no more than \$3.00 in library access or communications charges to get to the library, and may retrieve no more than \$15.00 in information. All information relating to the search or use is to be returned to the user and the user will permit no information pertaining to the user or the agent to be released to a third party.

In this example, a dispatching VDE electronic appliance 3010 constructs a smart object 3000 like the one shown in Figure 73. The rule set in 806a is specified as a control set that contains the following elements:

1. a smart\_agent\_execution event that specifies the smart agent is stored in embedded container 300z and has rules controlling its execution specified in that container;
2. a smart\_agent\_use event that specifies the smart agent will operate using information and parameters stored in container 300;
3. a routing\_use event that specifies the information routing information is stored in container 300y and has rules controlling this information stored in that container;



4. an information\_write event that specifies information written will be stored in container 300y, 300x, or 300w depending on its type (routing, retrieved, or administrative), and that these containers have independent rules that control how information is written into them.

The rule set in control set 806b contains rules that specify the rights desired by this smart object 3000. Specifically, this control set specifies that the software agent desires:

1. A right to use the "agent execution" service on the remote VDE site. Specific billing and charge information for this right is carried in container 300z.
2. A right to use the "software description list" service on the remote VDE site. Specific billing and charge information for this for this right is carried in container 300y.
3. A right to use an "information locator service" on a remote VDE site.

4. A right to have information returned to the user without charge (charges to be incurred on release of information and payment will be by a VISA budget)
5. A right to have all audit information returned such that it is readable only by the sender.

The rule set in control set 806c specifies that container 300w specifies the handling of all events related to its use. The rule set in control set 806d specifies that container 300x specifies the handling of all events related to its use. The rule set in control set 806e specifies that container 300y specifies the handling of all events related to its use. The rule set in control set 806f specifies that container 300z specifies the handling of all events related to its use.

Container 300z is specified as containing the "Very Fast and Efficient" agent content, which is associated with the following rules set:

1. A use event that specifies a meter and VISA budget that limits the execution to \$10.00 charged against the owner's VISA card. Audits of usage are required and will be stored in object 300w under control information specified in that object.

After container 300z and its set are specified, they are constructed and embedded in the smart object container 300.

Container 300y is specified as a content object with two types of content. Content type A is routing information and is read/write in nature. Content type A is associated with a rules set that specifies:

1. A use event that specifies no operation for the release of the content. This has the effect of not charging for the use of the content.
2. A write event that specifies a meter and a VISA budget that limits the value of writing to \$3.00. The billing method used by the write is left unspecified and will be specified by the control method that uses this rule.
3. Audits of usage are required and will be stored in object 300w under control information specified in that object.

Content type B is information that is used by the software agent to specify parameters for the agent. This content is

specified as the string "fire fly" or "fire flies". Content type B is associated with the following rule set:

1. A use event that specifies that the use may only be by the software agent or a routing agent. The software agent has read only permission, the routing agent has read/write access to the information. There are no charges associated with using the information, but two meters; one by read and one by write are kept to track use of the information by various steps in the process.
2. Audits of usage are required and will be stored in object 300w under control information specified in that object.

After container 300y and its control sets are specified, they are constructed and embedded in the smart object container 300.

Container 300x is specified as a content object that is empty of content. It contains a control set that contains the following rules:

1. A write\_without\_billing event that specifies a meter and a general budget that limits the value of writing to \$15.00.
2. Audits of usage are required and will be stored in object 300w under control information specified in that object.
3. An empty use control set that may be filled in by the owner of the information using predefined methods (method options).

After container 300x and its control sets are specified, they are constructed and embedded in the smart object container 300.

Container 300w is specified as an empty administrative object with a control set that contains the following rules:

1. A use event that specifies that the information contained in the administrative object may only be released to the creator of smart object container 300.
2. No other rules may be attached to the administrative content in container 300w.

After container 300w and its control sets are specified, they are constructed and embedded in the smart object container 300.

At this point, the smart object has been constructed and is ready to be dispatched to a remote VDE site. The smart object is sent to a remote VDE site (e.g., using electronic mail or another transport mechanism) that contains an information locator service 3012 via path 3014. The smart object is registered at the remote site 3012 for the "item locator service." The control set in container related to "item locator service" is selected and the rules contained within it activated at the remote site 3012. The remote site 3012 then reads the contents of container 300y under the control of rule set 806f and 300y(l), and permits writes of a list of location information into container 300y pursuant to these rules. The item locator service writes a list of three items into the smart object, and then "deregisters" the smart object (now containing the location information) and sends it to a site 3016 specified in the list written to the smart object via path 3018. In this example, the user may have specified electronic mail for transport and a list of remote sites that may have the desired information is stored as a forwarding list.

The smart object 3000, upon arriving at the second remote site 3016, is registered with that second site. The site 3016 provides agent execution and software description list services

compatible with VDE as a service to smart objects. It publishes these services and specifies that it requires \$10.00 to start the agent and \$20/piece for all information returned. The registration process compares the published service information against the rules stored within the object and determines that an acceptable overlap does not exist. Audit information for all these activities is written to the administrative object 300w. The registration process then fails (the object is not registered), and the smart object is forwarded by site 3016 to the next VDE site 3020 in the list via path 3022.

The smart object 3000, upon arriving at the third remote site 3020, is registered with that site. The site 3020 provides agent execution and software description list services compatible with VDE as a service to smart objects. It publishes these services and specifies that it requires \$1.00 to start the agent and \$0.50/piece for all information returned. The registration process compares the published service information against the rules stored within the object and determines that an acceptable overlap exists. The registration process creates a URT that specifies the agreed upon control information. This URT is used in conjunction with the other control information to execute the software agent under VDE control.

The agent software starts and reads its parameters out of container 300y. It then starts searching the database and obtains 253 "hits" in the database. The list of hits is written to container 300x along with a completed control set that specifies the granularity of each item and that each item costs \$0.50. Upon completion of the search, the budget for use of the service is incremented by \$1.00 to reflect the use charge for the service. Audit information for all these activities is written to the administrative object 300w.

The remote site 3020 returns the now "full" smart object 3000 back to the original sender (the user) at their VDE node 3010 via path 3024. Upon arrival, the smart object 3000 is registered and the database records are available. The control information specified in container 300x is now a mix of the original control information and the control information specified by the service regarding remote release of their information. The user then extracts 20 records from the smart object 3000 and has \$10.00 charged to her VISA budget at the time of extraction.

In the above smart agent VDE examples, a certain organization of smart object 3000 and its constituent containers is described. Other organizations of VDE and smart object related control information and parameter data may be created



and may be used for the same purposes as those ascribed to object 3000 in the above example.

### **Negotiation and Electronic Contracts**

An electronic contract is an electronic form of an agreement including rights, restrictions, and obligations of the parties to the agreement. In many cases, electronic agreements may surround the use of digitally provided content; for example, a license to view a digitally distributed movie. It is not required, however, that an electronic agreement be conditioned on the presence or use of electronic content by one or more parties to the agreement. In its simplest form, an electronic agreement contains a right and a control that governs how that right is used.

Electronic agreements, like traditional agreements, may be negotiated between their parties (terms and conditions submitted by one or more parties may simply be accepted (cohesion contract) by one or more other parties and/or such other parties may have the right to select certain of such terms and conditions (while others may be required)). Negotiation is defined in the dictionary as "the act of bringing together by mutual agreement." The preferred embodiment provides electronic negotiation processes by which one or more rights and associated controls can be established through electronic automated negotiation of terms.

Negotiations normally require a precise specification of rights and controls associated with those rights. PERC and URT structures provide a mechanism that may be used to provide precise electronic representations of rights and the controls associated with those rights. VDE thus provides a "vocabulary" and mechanism by which users and creators may specify their desires. Automated processes may interpret these desires and negotiate to reach a common middle ground based on these desires. The results of said negotiation may be concisely described in a structure that may be used to control and enforce the results of the electronic agreement. VDE further enables this process by providing a secure execution space in which the negotiation process(es) are assured of integrity and confidentiality in their operation. The negotiation process(es) may also be executed in such a manner that inhibits external tampering with the negotiation.

A final desirable feature of agreements in general (and electronic representations of agreements in particular) is that they be accurately recorded in a non-repudiatable form. In traditional terms, this involves creating a paper document (a contract) that describes the rights, restrictions, and obligations of all parties involved. This document is read and then signed by all parties as being an accurate representation of the agreement. Electronic agreements, by their nature, may not be initially

rendered in paper. VDE enables such agreements to be accurately electronically described and then electronically signed to prevent repudiation. In addition, the preferred embodiment provides a mechanism by which human-readable descriptions of terms of the electronic contract can be provided.

VDE provides a concise mechanism for specifying control sets that are VDE site interpretable. Machine interpretable mechanisms are often not human readable. VDE often operates the negotiation process on behalf of at least one human user. It is thus desirable that the negotiation be expressible in "human readable form." VDE data structures for objects, methods, and load modules all have provisions to specify one or more DTDs within their structures. These DTDs may be stored as part of the item or they may be stored independently. The DTD describes one or more data elements (MDE, UDE, or other related data elements) that may contain a natural language description of the function of that item. These natural language descriptions provide a language independent, human readable description for each item. Collections of items (for example, a BUDGET method) can be associated with natural language text that describes its function and forms a term of an electronically specified and enforceable contract. Collections of terms (a control set) define a contract associated with a specific right. VDE thus permits the

electronic specification, negotiation, and enforcement of electronic contracts that humans can understand and adhere to.

VDE 100 enables the negotiation and enforcement of electronic contracts in several ways:

- it enables a concise specification of rights and control information that permit a common vocabulary and procedure for negotiation,
- it provides a secure processing environment within which to negotiate,
- it provides a distributed environment within which rights and control specifications may be securely distributed,
- it provides a secure processing environment in which negotiated contracts may be electronically rendered and signed by the processes that negotiate them, and
- it provides a mechanism that securely enforces a negotiated electronic contract.

### **Types of Negotiations**

A simple form of a negotiation is a demand by one party to form an "adhesion" contract. There are few, if any, options that may be chosen by the other party in the negotiation. The recipient of the demand has a simple option; she may accept or reject the terms and conditions (control information) in the demand. If she accepts the conditions, she is granted rights subject to the specified control information. If she rejects the conditions, she is not granted the rights. PERC and URT structures may support negotiation by demand; a PERC or control set from a PERC may be presented as a demand, and the recipient may accept or reject the demand (selecting any permitted method options if they are presented).

A common example of this type of negotiation today is the purchase of software under the terms of a "shrink-wrap license." Many widely publicized electronic distribution schemes use this type of negotiation. CompuServe is an example of an on-line service that operates in the same manner. The choice is simple: either pay the specified charge or don't use the service or software. VDE supports this type of negotiation with its capability to provide PERCs and URTs that describe rights and control information, and by permitting a content owner to provide a REGISTER method that allows a user to select from a set of predefined method options. In this scenario, the REGISTER

method may contain a component that is a simplified negotiation process.

A more complex form of a negotiation is analogous to "haggling." In this scenario, most of the terms and conditions are fixed, but one or more terms (e.g., price or payment terms) are not. For these terms, there are options, limits, and elements that may be negotiated over. A VDE electronic negotiation between two parties may be used to resolve the desired, permitted, and optional terms. The result of the electronic negotiation may be a finalized set of rules and control information that specify a completed electronic contract. A simple example is the scenario for purchasing software described above adding the ability of the purchaser to select a method of payment (VISA, Mastercard, or American Express). A more complex example is a scenario for purchasing information in which the price paid depends on the amount of information about the user that is returned along with a usage audit trail. In this second example, the right to use the content may be associated with two control sets. One control set may describe a fixed ("higher") price for using the content. Another control set may describe a fixed ("lower") price for using the content with additional control information and field specifications requiring collection and return the user's personal information. In both of these cases, the optional and permitted fields and control sets in a PERC may describe the options that

may be selected as part of the negotiation. To perform the negotiation, one party may propose a control set containing specific fields, control information, and limits as specified by a PERC; the other party may pick and accept from the control sets proposed, reject them, or propose alternate control sets that might be used. The negotiation process may use the permitted, required, and optional designations in the PERC to determine an acceptable range of parameters for the final rule set. Once an agreement is reached, the negotiation process may create a new PERC and/or URT that describes the result of the negotiation. The resulting PERCs and/or URTs may be "signed" (e.g., using digital signatures) by all of the negotiation processes involved in the negotiation to prevent repudiation of the agreement at a later date.

Additional examples of negotiated elements are: electronic cash, purchase orders, purchase certificates (gift certificates, coupons), bidding and specifications, budget "rollbacks" and reconciliation, currency exchange rates, stock purchasing, and billing rates.

A set of PERCs that might be used to support the second example described above is presented in Figures 75A (PERC sent by the content owner), 75B (PERC created by user to represent their selections and rights), and 75C (PERC for controlling the

negotiation process). These PERCs might be used in conjunction with any of the negotiation process(es) and protocols described later in this section.

Figure 75A shows an example of a PERC 3100 that might be created by a content provider to describe their rights options. In this example, the PERC contains information regarding a single USE right. Two alternate control sets 3102a, 3102b are presented for this right in the example. Control set 3102a permits the use of the content without passing back information about the user, and another control set 3102b permits the use of the content and collects "response card" type information from the user. Both control sets 3102a, 3102b may use a common set of methods for most of the control information. This common control information is represented by a CSR 3104 and CS0 3106.

Control set 3102a in this PERC 3100 describes a mechanism by which the user may obtain the content without providing any information about its user to the content provider. This control set 3102a specifies a well-known vending control method and set of required methods and method options. Specifically, in this example, control set 3102a defines a BUDGET method 3108 (e.g., one of VISA, Mastercard, or American Express) and it defines a BILLING method 3110 that specifies a charge (e.g., a one-time charge of \$100.00).



Control set 3102b in this PERC 3100 describes another mechanism by which the user may obtain the content. In this example, the control set 3102b specifies a different vending control method and a set of required methods and method options. This second control set 3102b specifies a BUDGET method 3112 (e.g., one of VISA, Mastercard, or American Express), a BILLING method 3116 that specifies a charge (e.g., a lesser one-time charge such as \$25.00) and an AUDIT method 3114 that specifies a set of desired and required fields. The required and desired field specification 3116 may take the form of a DTD specification, in which, for example, the field names are listed.

The content creator may "prefer" one of the two control sets (e.g., control set 2) over the other one. If so, the "preferred" control set may be "offered" first in the negotiation process, and withdrawn in favor of the "non-preferred" control set if the other party to the negotiation "rejects" the "preferred" control set.

In this example, these two control sets 3102a, 3102b may share a common BUDGET method specification. The BUDGET method specification may be included in the CSR 3104 or CS0 3106 control sets if desired. Selecting control set 3102a (use with no information passback) causes a unique component assembly to be assembled as specified by the PERC 3100. Specifically, in this

example it selects the "Vending" CONTROL method 3118, the BILLING method 3110 for a \$100 fixed charge, and the rest of the control information specified by CSR 3104 and CS0 3106. It also requires the user to specify her choice of acceptable BUDGET method (e.g., from the list including VISA, Mastercard, and American Express). Selecting control set 3102b assembles a different component assembly using the "Vending with 'response card'" CONTROL method 3120, the BILLING method 3116 (e.g., for a \$25 fixed charge), an AUDIT method 3114 that requires the fields listed in the Required Fields DTD 3116. The process may also select as many of the fields listed in the Desired Fields DTD 3116 as are made available to it. The rest of the control information is specified by CSR 3104 and CS0 3106. The selection of control set 3102b also forces the user to specify their choice of acceptable BUDGET methods (e.g., from the list including VISA, Mastercard, and American Express).

Figure 75B shows an example of a control set 3125 that might be used by a user to specify her desires and requirements in a negotiation process. This control set has a USE rights section 3127 that contains an aggregated CSR budget specification 3129 and two optional control sets 3131a, 3131b for use of the content. Control set 3131a requires the use of a specific CONTROL method 3133 and AUDIT method 3135. The specified AUDIT method 3135 is parameterized with a list of

fields 3137 that may be released in the audit trail. Control set 3131a also specifies a BILLING method 3139 that can cost no more than a certain amount (e.g., \$30.00). Control set 3131b in this example describes a specific CONTROL method 3141 and may reference a BILLING method 3143 that can cost no more than a certain amount (e.g., \$150.00) if this option is selected.

Figure 75E shows a more high-level view of an electronic contract 3200 formed as a "result" of a negotiation process as described above. Electronic contract 3200 may include multiple clauses 3202 and multiple digital signatures 3204. Each clause 3202 may comprise a PERC/URT such as item 3160 described above and shown in Figure 75D. Each "clause" 3202 of electronic contract 3200 thus corresponds to a component assembly 690 that may be assembled and executed by a VDE electronic appliance 600. Just as in normal contracts, there may be as many contract clauses 3202 within electronic contract 3200 as is necessary to embody the "agreement" between the "parties." Each of clauses 3202 may have been electronically negotiated and may thus embody a part of the "agreement" (e.g., a "compromise") between the parties. Electronic contract 3200 is "self-executing" in the sense that it may be literally executed by a machine, i.e., a VDE electronic appliance 600 that assembles component assemblies 690 as specified by various electronic clauses 3202. Electronic contract 3200 may be automatically

"enforced" using the same VDE mechanisms discussed above that are used in conjunction with any component assembly 690. For example, assuming that a clause 3202(2) corresponds to a payment or BILLING condition or term, its corresponding component assembly 690 when assembled by a user's VDE electronic appliance 600 may automatically determine whether conditions are right for payment and, when they are, automatically access an appropriate payment mechanism (e.g., a virtual "credit card" object for the user) to arrange that payment to be made. As another example, assuming that electronic contract clause N 3202(N) corresponds to a user's obligation to provide auditing information to a particular VDE participant, electronic contract 3200 will cause VDE electronic appliance 600 to assemble a corresponding component assembly 690 that may, for example, access the appropriate audit trails within secure database 610 and provide them in an administrative object to the correct participant. Figure 75F shows that clause 3202(N) may, for example, specify a component assembly 690 that arranges for multiple steps in a transaction 3206 to occur. Some of these steps (e.g., step 3208(4), 3208(5)) may be conditional on a test (e.g., 3208(3)) such as, for example, whether content usage has exceeded a certain amount, whether a certain time period has expired, whether a certain calendar date has been reached, etc.

Digital signatures 3204 shown in the Figure 75E electronic contract 3200 may comprise, for example, conventional digital signatures using public key techniques as described above. Some electronic contracts 3200 may not bear any digital signatures 3204. However, it may be desirable to require the electronic appliance 600 of the user who is a party to the electronic contract 3200 to digitally "sign" the electronic contract so that the user cannot later repudiate the contract, for evidentiary purposes, etc. Multiple parties to the same contract may each digitally "sign" the same electronic contract 3200 similarly to the way multiple parties to a contract memorialized in a written instrument use an ink pen to sign the instrument.

Although each of the clauses 3202 of electronic contract 3200 may ultimately correspond to a collection of data and code that may be executed by a PPE 650, there may in some instances be a need for rendering a human readable version of the electronic contract. This need can be accommodated by, as mentioned above, providing text within one or more DTDs associated with the component assembly or assemblies 690 used to "self-execute" the contract. Such text might, for example, describe from a functional point of view what the corresponding electronic contract clause 3202 means or involves, and/or might describe in legally enforceable terms what the legal obligation under the contract is or represents. "Templates" (described

elsewhere herein) might be used to supply such text from a text library. An expert system and/or artificial intelligence capability might be used to impose syntax rules that bind different textual elements together into a coherent, humanly readable contract document. Such text could, if necessary, be reviewed and modified by a "human" attorney in order to customize it for the particular agreement between the parties and/or to add further legal obligations augmenting the "self-executing" electronic obligations embodied within and enforced by the associated component assemblies 690 executing on a VDE electronic appliance 600. Such text could be displayed automatically or on demand upon execution of the electronic contract, or it could be used to generate a printed humanly-readable version of the contract at any time. Such a document version of the electronic contract 3200 would not need to be signed in ink by the parties to the agreement (unless desired) in view of the fact that the digital signatures 3204 would provide a sufficiently secure and trusted evidentiary basis for proving the parties' mutual assent to all the terms and conditions within the contract.

In the preferred embodiment, the negotiation process executes within a PPE 650 under the direction of a further PERC that specifies the process. Figure 75C shows an example of a PERC 3150 that specifies a negotiation process. The PERC 3150 contains a single right 3152 for negotiation, with two permitted control sets 3154a, 3154b described for that right. The first

control set 3154a may be used for a "trusted negotiation"; it references the desired negotiation CONTROL method ("Negotiate") 3156 and references (in fields 3157a, 3157b) two UDEs that this CONTROL method will use. These UDEs may be, for example, the PERCs 3100, 3125 shown in Figures 75A and 75B. The second control set 3154b may be used by "multiple negotiation" processes to manage the negotiation, and may provide two negotiation methods: "Negotiate1," and "Negotiate2". Both negotiation processes may be described as required methods ("Negotiate1" and "Negotiate2") 3156, 3158 that take respective PERCs 3100, 3125 as their inputs. The CONTROL method 3158 for this control set in this example may specify the name of a service that the two negotiation processes will use to communicate with each other, and may also manage the creation of the URT resulting from the negotiation.

When executed, the negotiation process(es) specified by the PERC 3150 shown in Figure 75C may be provided with the PERCs 3100, 3125 as input that will be used as the basis for negotiation. In this example, the choice of negotiation process type (trusted or multiple) may be made by the executing VDE node. The PERC 3150 shown in Figure 75C might be, for example, created by a REGISTER method in response to a register request from a user. The process specified by this PERC

3150 may then be used by a REGISTER method to initiate negotiation of the terms of an electronic contract.

During this example negotiation process, the PERCs 3100, 3125 shown in Figures 75A and 75B act as input data structures that are compared by a component assembly created based on PERC 3150 shown in Figure 35C. The component assembly specified by the control sets may be assembled and compared, starting with required "terms," and progressing to preferred/desired "terms" and then moving on to permitted "terms," as the negotiation continues. Method option selections are made using the desired method and method options specified in the PERCs 3100, 3125. In this example, a control set for the PERC 3100 shown in Figure 75A may be compared against the PERC 3125 shown in Figure 75B. If there is a "match," the negotiation is successfully concluded and "results" are generated.

In this embodiment, the results of such negotiation will generally be written as a URT and "signed" by the negotiation process(es) to indicate that an agreement has been reached. These electronic signatures provide the means to show that a (virtual) "meeting of minds" was reached (one of the traditional legal preconditions for a contract to exist). An example of the URT 3160 that would have been created by the above example is shown in Figure 75D.



This URT 3160 (which may itself be a PERC 808) includes a control set 3162 that reflects the "terms" that were "agreed upon" in the negotiation. In this example, the "agreed upon" terms must "match" terms required by input PERCs 3100, 3125 in the sense that they must be "as favorable as" the terms required by those PERCs. The negotiation result shown includes, for example, a "negotiated" control set 3162 that in some sense corresponds to the control set 3102a of the Figure 75A PERC 3100 and to the control set 3131a of the Figure 75B control set 3125. Resulting "negotiated" control set 3162 thus includes a required BUDGET method 3164 that corresponds to the control set 3125 desired BUDGET method 3142 but which is "within" the range of control sets allowed by control set 3100 required BUDGET method 3112. Similarly, resulting negotiated control set 3162 includes a required AUDIT method 3166 that complies with the requirements of both PERC 3100 required AUDIT method 3114 and PERC 3125 required AUDIT method 3135. Similarly, resulting negotiated control set 3162 includes a required BILLING method 3170 that "matches" or complies with each of PERC 3100 required BILLING method 3116 and PERC 3125 required BILLING method 3170.

Another class of negotiation is one under which no rules are fixed and only the desired goals are specified. The negotiation processes for this type of negotiation may be very

complex. It may utilize artificial intelligence, fuzzy logic, and/or related algorithms to reach their goals. VDE supports these types of processes by providing a mechanism for concisely specifying rights, control information, fields and goals (in the form of desired rights, control information, and fields). Goals for these types of processes might be specified as one more control sets that contain specific elements that are tagged as optional, permitted, or desired.

### **Types of Negotiations**

Negotiations in the preferred embodiment may be structured in any of the following ways:

1. shared knowledge
2. trusted negotiator
3. "zero-based" knowledge

"Shared knowledge" negotiations are based on all parties knowing all of the rules and constraints associated with the negotiation. Demand negotiations are a simple case of shared knowledge negotiations; the demander presents a list of demands that must be accepted or rejected together. The list of demands comprises a complete set of knowledge required to accept or reject each item on the list. VDE enables this class of negotiation to occur electronically by providing a mechanism by which demands may be encoded, securely passed, and securely processed between

and with secure VDE subsystems using VDE secure processing, and communication capabilities. Other types of shared knowledge negotiations employed by VDE involve the exchange of information between two or more negotiating parties; the negotiation process(es) can independently determine desired final outcome(s) based on their independent priorities. The processes can then negotiate over any differences. Shared knowledge negotiations may require a single negotiation process (as in a demand type negotiation) or may involve two or more cooperative processes. Figures 76A and 76B illustrate scenarios in which one and two negotiation processes are used in a shared knowledge negotiation.

Figure 76A shows a single negotiation process 3172 that takes any number of PERCs 808 (e.g., supplied by different parties) as inputs to the negotiation. The negotiation process 3172 executes at a VDE node under supervision of "Negotiation Process Rules and Control information" that may be supplied by a further PERC (e.g., PERC 3150 shown in Figure 75C). The process 3172 generates one or more PERCs/URTs 3160 as results of the negotiation.

Figure 76B shows multiple negotiation processes 3172A-3172N each of which takes as input a PERC 808 from a party and a further PERC 3150 that controls the negotiation process,

and each of which generates a negotiated "result" PERC/URT 3160 as output. Processes 3172A-3172N may execute at the same or different VDE nodes and may communicate using a "negotiation protocol."

Single and multiple negotiation processes may be used for specific VDE sites. The negotiation processes are named, and can be accessed using well known method names. PERCs and URTs may be transported in administrative or smart objects to remote VDE sites for processing at that site, as may the control PERCs and REGISTER method that controls the negotiation.

Multiple negotiation processes require the ability to communicate between these processes 3172; including secure communication between secure processes that are present at physically separate VDE sites (secure subsystems). VDE generalizes the inter-process communication into a securely provided service that can be used if the configuration requires it. The inter-process communication uses a negotiation protocol to exchange information about rule sets between processes 3172. An example of a negotiation protocol includes the following negotiation "primitives":

WANT	Want a set of terms and conditions
ACCEPT	Accept a set of terms and conditions
REJECT	Reject a set of terms and conditions

OFFER	Offer a set of terms and conditions in exchange for other terms and conditions
HAVE	Assert a set of terms and conditions are possible or desirable
QUIT	Assert the end of the negotiation without reaching an agreement
AGREEMENT	Conclude the negotiation and pass the rule set for signature

The WANT primitive takes rights and control set (or parts of control sets) information, and asserts to the other process(es) 3172 that the specified terms are desired or required. Demand negotiations are a simple case of a WANT primitive being used to assert the demand. This example of a protocol may introduce a refined form of the WANT primitive, REQUIRE. In this example, REQUIRE allows a party to set terms that she decides are necessary for a contract to be formed, WANT may allow the party to set terms that are desirable but not essential. This permits a distinction between "must have" and "would like to have."

In this example, WANT primitives must always be answered by an ACCEPT, REJECT, or OFFER primitive. The ACCEPT primitive permits a negotiation process 3172 to accept a set of terms and conditions. The REJECT primitive permits a process 3172 to reject an offered set of terms and conditions.

Rejecting a set of required terms and conditions may terminate the negotiation. OFFER permits a counter-offer to be made.

The HAVE, QUIT, and AGREEMENT primitives permit the negotiation protocols to pass information about rule sets. Shared knowledge negotiations may, for example, start with all negotiation processes 3172A-3172N asserting HAVE (my PERC) to the other processes. HAVE is also used when an impasse is reached and one process 3172 needs to let the other process 3172 know about permitted options. QUIT signals an unsuccessful end of the negotiation without reaching an agreement, while AGREEMENT signals a successful end of an agreement and passes the resulting "negotiated" PERC/URT 3160 to the other process(es) 3172 for signature.

In "trusted negotiator" negotiations, all parties provide their demands and preferences to a "trusted" negotiator and agree to be bound by her decision. This is similar to binding arbitration in today's society. VDE enables this mode of negotiation by providing an environment in which a "trusted" negotiation service may be created. VDE provides not only the mechanism by which demands, desires, and limits may be concisely specified (e.g., in PERCs), but in which the PERCs may be securely transferred to a "trusted" negotiation service along with a rule set that specifies how the negotiation will be

conducted, and by providing a secure execution environment so that the negotiation process may not be tampered with. Trusted negotiator services can be used at VDE sites where the integrity of the site is well known. Remote trusted negotiation services can be used by VDE sites that do not possess sufficient computing resources to execute one or more negotiation process(es); they can establish a communication link to a VDE site that provides this service and permits the service to handle the negotiation on their behalf.

"Zero-based" knowledge negotiations share some characteristics of the zero-based knowledge protocols used for authentication. It is well understood in the art how to construct a protocol that can determine if a remote site is the holder of a specific item without exchanging or exposing the item. This type of protocol can be constructed between two negotiation processes operating on at least one VDE site using a control set as their knowledge base. The negotiation processes may exchange information about their control sets, and may make demands and counter proposals regarding using their individual rule sets. For example, negotiation process A may communicate with negotiation process B to negotiate rights to read a book. Negotiation process A specifies that it will pay not more than \$10.00 for rights to read the book, and prefers to pay between \$5.00 and \$6.00 for this right. Process A's rule set also specifies

that for the \$5.00 option, it will permit the release of the reader's name and address. Process B's rule set specifies that it wants \$50.00 for rights to read the book, and will provide the book for \$5.50 if the user agrees to release information about himself. The negotiation might go something like this:

Process A	<--- > Process B
Want (right to read, unrestricted)	---->
	<---- Have(right to read, unrestricted, \$50)
Offer (right to read, tender user info)	---->
	< ---- Have(right to read, tender user info, \$5.50)
Accept(right to read, tender user info, \$5.50)	---->

In the above example, process A first specifies that it desires the right to read the book without restrictions or other information release. This starting position is specified as a rights option in the PERC that process A is using as a rule. Process B checks its rules and determines that an unrestricted right to read is indeed permitted for a price of \$50. It replies to process A that these terms are available. Process A receives this reply and checks it against the control set in the PERC it uses as a rule base. The \$50 is outside the \$10 limit specified for this control set, so Process A cannot accept the offer. It makes a counter offer



(as described in another optional rights option) of an unrestricted right to read coupled with the release of the reader's name and address. The name and address fields are described in a DTD referenced by Process A's PERC. Process B checks its rules PERC and determines that an unrestricted right to read combined with the release of personal information is a permitted option. It compares the fields that would be released as described in the DTD provided by Process A against the desired fields in a DTD in its own PERC, and determines an acceptable match has occurred. It then sends an offer for unrestricted rights with the release of specific information for the cost of \$5.50 to Process A. Process A compares the right, restrictions, and fields against its rule set and determines that \$5.50 is within the range of \$5-\$6 described as acceptable in its rule set. It accepts the offer as made. The offer is sealed by both parties "signing" a new PERC that describes the results of the final negotiation (unrestricted rights, with release of user information, for \$5.50). The new PERC may be used by the owner of Process A to read the content (the book) subject to the described terms and conditions.

#### **Further Chain of Handling Model**

As described in connection with Figure 2, there are four (4) "participant" instances of VDE 100 in one example of a VDE chain of handling and control used, for example, for content distribution. The first of these participant instances, the content

creator 102, is manipulated by the publisher, author, rights owner or distributor of a literary property to prepare the information for distribution to the consumer. The second participant instance, VDE rights distributor 106, may distribute rights and may also administer and analyze customers' use of VDE authored information. The third participant instance, content user 112, is operated by users (included end-users and distributors) when they use information. The fourth participant instance, financial clearinghouse 116 enables the VDE related clearinghouse activities. A further participant, a VDE administrator, may provide support to keep VDE 100 operating properly. With appropriate authorizations and Rights Operating System components installed, any VDE electronic appliance 600 can play any or all of these participant roles.

Literary property is one example of raw material for VDE 100. To transfer this raw material into finished goods, the publisher, author, or rights owner uses tools to transform digital information (such as electronic books, databases, computer software and movies) into protected digital packages called "objects." Only those consumers (or others along the chain of possession such as a redistributor) who receive permission from a distributor 106 can open these packages. VDE packaged content can be constrained by "rules and control information" provided by content creator 102 and/or content distributor 106—or by other

VDE participants in the content's distribution pathway, i.e., normally by participants "closer" to the creation of the VDE secured package than the participant being constrained.

Once the content is packaged in an "object," the digital distribution process may begin. Since the information packages themselves are protected, they may be freely distributed on CD-ROM disks, through computer networks, or broadcast through cable or by airwaves. Informal "out of channel" exchange of protected packages among end-users does not pose a risk to the content property rights. This is because only authorized individuals may use such packages. In fact, such "out of channel" distribution may be encouraged by some content providers as a marginal cost method of market penetration. Consumers with usage authorizations (e.g., a VISA clearinghouse budget allowing a certain dollar amount of usage) may, for example, be free to license classes of out of channel VDE protected packages provided to them, for example, by a neighbor.

To open a VDE package and make use of its content, an end-user must have permission. Distributors 106 can grant these permissions, and can very flexibly (if permitted by senior control information) limit or otherwise specify the ways in which package contents may be used. Distributors 106 and financial clearinghouses 116 also typically have financial responsibilities

(they may be the same organization in some circumstances if desired). They ensure that any payments required from end-users fulfill their own and any other participant's requirements. This is achieved by auditing usage.

Distributors 106 using VDE 100 may include software publishers, database publishers, cable, television, and radio broadcasters, and other distributors of information in electronic form. VDE 100 supports all forms of electronic distribution, including distribution by broadcast or telecommunications, or by the physical transfer of electronic storage media. It also supports the delivery of content in homogeneous form, seamlessly integrating information from multiple distribution types with separate delivery of permissions, control mechanisms and content.

Distributors 106 and financial clearinghouses 116 may themselves be audited based on secure records of their administrative activities and a chain of reliable, "trusted" processes ensures the integrity of the overall digital distribution process. This allows content owners, for example, to verify that they are receiving appropriate compensation based on actual content usage or other agreed-upon bases.

Since the end-user 112 is the ultimate consumer of content in this example, VDE 100 is designed to provide protected

content in a seamless and transparent way—so long as the end-user stays within the limits of the permissions she has received. The activities of end-user 112 can be metered so that an audit can be conducted by distributors 106. The auditing process may be filtered and/or generalized to satisfy user privacy concerns. For example, metered, recorded VDE content and/or appliance usage information may be filtered prior to reporting it to distributor 106 to prevent more information than necessary from being revealed about content user 112 and/or her usage.

VDE 100 gives content providers the ability to recreate important aspects of their traditional distribution strategies in electronic form and to innovatively structure new distribution mechanisms appropriate to their individual needs and circumstances. VDE 100 supports relevant participants in the chain of distribution, and also enables their desired pricing strategies, access and redistribution permissions, usage rules, and related administrative and analysis procedures. The reusable functional primitives of VDE 100 can be flexibly combined by content providers to reflect their respective distribution objectives. As a result, content providers can feed their information into established distribution channels and also create their own personalized distribution channels.

A summary of the roles of the various participants of virtual distribution environment 100 is set forth in the table below:

Role	Description
<b>"Traditional" Participants</b>	
Content creator	Packager and initial distributor of digital information
Content owner	Owner of the digital information.
Distributors	Provide rights distribution services for budgets and/or content.
Auditor	Provides services for processing and reducing usage based audit trails.
Clearinghouse	Provides intermediate store and forward services for content and audit information. Also, typically provides a platform for other services, including third party financial providers and auditors.
Network provider	Provides communication services between sites and other participants.
Financial providers	Provider of third party sources of electronic funds to end-users and distributors. Examples of this class of users are VISA, American Express, or a government.
End Users	Consumers of information.
<b>Other Participants</b>	
Redistributor	Redistributes rights to use content based on chain of handling restrictions from content providers and/or other distributors.
VDE Administrator	Provider of trusted services for support of VDE nodes.

Role	Description
Independent Audit Processor	Provider of services for processing and summarizing audit trail data. Provides anonymity to end-users while maintaining the comprehensive audit capabilities required by the content providers.
Agents	Provides distributed presence for end-users and other VDE participants.

Of these various VDE participants, the "redistributor," "VDE Administrator," "independent audit processor" and "agents" are, in certain respects "new" participants that may have no counterpart in many "traditional" business models. The other VDE participants (i.e., content provider, content owner, distributors, auditor, clearinghouse, network provider and financial providers) have "traditional" business model counterparts in the sense that traditional distribution models often included non-electronic participants performing some of the same business roles they serve in the virtual distribution environment 100.

VDE distributors 106 may also include "end-users" who provide electronic information to other end-users. For example, Figure 77 shows a further example of a virtual distribution environment 100 chain of handling and control provided by the present invention. As compared to Figure 2, Figure 77 includes a new "client administrator" participant 700. In addition, Figure

77 shows several different content users 112(1), 112(2), . . . , 112(n) that may all be subject to the "jurisdiction" of the client administrator 700. Client administrator 700 may be, for example, a further rights distributor within a corporation or other organization that distributes rights to employees or other organization participant units (such as divisions, departments, networks, and or groups, etc.) subject to organization-specific "rules and control information." The client administrator 700 may fashion rules and control information for distribution, subject to "rules and control" specified by creator 102 and/or distributor 106.

As mentioned above, VDE administrator 116b is a trusted VDE node that supports VDE 100 and keeps it operating properly. In this example, VDE administrator 116b may provide, among others, any of all of the following:

- VDE appliance initialization services
- VDE appliance reinitialization/update services
- Key management services
- "Hot lists" of "rogue" VDE sites
- Certification authority services
- Public key registration
- Client participant unit content budgets and other authorizations



All participants of VDE 100 have the innate ability to participate in any role. For example, users may gather together existing protected packages, add (create new content) packages of their own, and create new products. They may choose to serve as their own distributor, or delegate this responsibility to others. These capabilities are particularly important in the object oriented paradigm which is entering the marketplace today. The production of compound objects, object linking and embedding, and other multi-source processes will create a need for these capabilities of VDE 100. The distribution process provided by VDE 100 is symmetrical; any end-user may redistribute information received to other end-users, provided they possess permission from and follow the rules established by the distribution chain VDE control information governing redistribution. End-users also may, within the same rules and permissions restriction, encapsulate content owned by others within newly published works and distribute these works independently. Royalty payments for the new works may be accessed by the publisher, distributors, or end-users, and may be tracked and electronically collected at any stage of the chain.

Independent financial providers can play an important role in VDE 100. The VDE financial provider role is similar to the role played by organizations such as VISA in traditional distribution scenarios. In any distribution model, authorizing

payments for use of products or services and auditing usage for consistency and irregularities, is critical. In VDE 100, these are the roles filled by independent financial providers. The independent financial providers may also provide audit services to content providers. Thus, budgets or limits on use, and audits, or records of use, may be processed by (and may also be put in place by) clearinghouses 116, and the clearinghouses may then collect usage payments from users 112. Any VDE user 112 may assign the right to process information or perform services on their behalf to the extent allowed by senior control information. The arrangement by which one VDE participant acts on behalf of another is called a "proxy." Audit, distribution, and other important rights may be "proxied" if permitted by the content provider. One special type of "proxy" is the VDE administrator 116b. A VDE administrator is an organization (which may be acting also as a financial clearinghouse 116) that has permission to manage (for example, "intervene" to reset) some portion or all of VDE secure subsystem control information for VDE electronic appliances. This administration right may extend only to admitting new appliances to a VDE infrastructure and to recovering "crashed" or otherwise inoperable appliances, and providing periodic VDE updates.

### **More On Object Creation, Distribution Methods, Budgets, and Audits**

VDE node electronic appliances 600 in the preferred embodiment can have the ability to perform object creation, distribution, audit collection and usage control functions provided by the present invention. Incorporating this range of capabilities within each of many electronic appliances 600 provided by the preferred embodiment is important to a general goal of creating a single (or prominent) standard for electronic transactions metering, control, and billing, that, in its sum of installations, constitutes a secure, trusted, virtual transaction/distribution management environment. If, generally speaking, certain key functions were generally or frequently missing, at least in general purpose VDE node electronic appliances 600, then a variety of different products and different standards would come forth to satisfy the wide range of applications for electronic transaction/distribution management; a single consistent set of tools and a single "rational," trusted security and commercial distribution environment will not have been put in place to answer the pressing needs of the evolving "electronic highway." Certain forms of certain electronic appliances 600 containing VDE nodes which incorporate embedded dedicated VDE microcontrollers such as certain forms of video cassette players, cable television converters and the like may not necessarily have or need full VDE capabilities. However, the preferred

embodiment provides a number of distributed, disparately located electronic appliances 600 each of which desirably include authoring, distribution, extraction, audit, and audit reduction capabilities, along with object authoring capabilities.

The VDE object authoring capabilities provided by the preferred embodiment provides an author, for example, with a variety of menus for incorporating methods in a VDE object 300, including:

- menus for metering and/or billing methods which define how usage of the content portion of a VDE object is to be controlled,
- menus related to extraction methods for limiting and/or enabling users of a VDE object from extracting information from that object, and may include placing such information in a newly created and/or pre-existing VDE content container,,
- menus for specifying audit methods—that is, whether or not certain audit information is to be generated and communicated in some secure fashion back to an object provider, object creator, administrator, and/or clearinghouse, and

- menus for distribution methods for controlling how an object is distributed, including for example, controlling distribution rights of different participant's "down" a VDE chain of content container handling.

The authoring capabilities may also include procedures for distributing administrative budgets, object distribution control keys, and audit control keys to distributors and other VDE participants who are authorized to perform distribution and/or auditing functions on behalf of the author, distributors, and/or themselves. The authoring capabilities may also include procedures for selecting and distributing distribution methods, audit methods and audit reduction methods, including for example, securely writing and/or otherwise controlling budgets for object redistribution by distributors to subsequent VDE chain of content handling participants.

The content of an object 300 created by an author may be generated with the assistance of a VDE aware application program or a non-VDE aware application program. The content of the object created by an author in conjunction with such programs may include text, formatted text, pictures, moving pictures, sounds, computer software, multimedia, electronic games, electronic training materials, various types of files, and so on, without limitation. The authoring process may encapsulate

content generated by the author in an object, encrypt the content with one or more keys, and append one or more methods to define parameters of allowed use and/or required auditing of use and/or payment for use of the object by users (and/or by authorized users only). The authoring process may also include some or all aspects of distributing the object.

In general, in the preferred embodiment, an author can:

- A. Specify what content is to be included in an object.
- B. Specify content oriented methods including:
  - Information--typically abstract, promotional, identifying, scheduling, and/or other information related to the content and/or author
  - Content--e.g. list of files and/or other information resources containing content, time variables, etc.
- C. Specify control information (typically a collection of methods related to one another by one or more permissions records, including any method defining variables) and any initial authorized user list including, for example:
  - Control information over Access & Extraction

**Control information over Distribution****Control information over Audit Processing**

A VDE node electronic appliance 600 may, for example, distribute an object on behalf of an object provider if a VDE node receives from an object provider administrative budget information for distributing the object and associated distribution key information.

A VDE node electronic appliance 600 may receive and process audit records on behalf of an object provider if that VDE node receives any necessary administrative budget, audit method, and audit key information (used, for example, to decrypt audit trails), from the object provider. An auditing-capable VDE electronic appliance 600 may control execution of audit reduction methods. "Audit reduction" in the preferred embodiment is the process of extracting information from audit records and/or processes that an object provider (e.g., any object provider along a chain of handling of the object) has specified to be reported to an object's distributors, object creators, client administrators, and/or any other user of audit information. This may include, for example, advertisers who may be required to pay for a user's usage of object content. In one embodiment, for example, a clearinghouse can have the ability to "append" budget, audit method, and/or audit key information to an object or class or other grouping of objects located at a user site or located at an

object provider site to ensure that desired audit processes will take place in a "trusted" fashion. A participant in a chain of handling of a VDE content container and/or content container control information object may act as a "proxy" for another party in a chain of handling of usage auditing information related to usage of object content (for example a clearinghouse, an advertiser, or a party interested in market survey and/or specific customer usage information). This may be done by specifying, for that other party, budget, audit method, and/or key information that may be necessary to ensure audit information is gathered and/or provided to, in a proper manner, said additional party. For example, employing specification information provided by said other party.

### **Object Creation and Initial Control Structures**

The VDE preferred embodiment object creation and control structure design processes support fundamental configurability of control information. This enables VDE 100 to support a full range of possible content types, distribution pathways, usage control information, auditing requirements, and users and user groups. VDE object creation in the preferred embodiment employs VDE templates whose atomic elements represent at least in part modular control processes. Employing VDE creation software (in the preferred embodiment a GUI programming process) and VDE templates, users may create VDE objects 300



by, for example, partitioning the objects, placing "meta data" (e.g., author's name, creation date, etc.) into them, and assigning rights associated with them and/or object content to, for example, a publisher and/or content creator. When an object creator runs through this process, she normally will go through a content specification procedure which will request required data. The content specification process, when satisfied, may proceed by, for example, inserting data into a template and encapsulating the content. In addition, in the preferred embodiment, an object may also automatically register its presence with the local VDE node electronic appliance 600 secure subsystem, and at least one permissions record 808 may be produced as a result of the interaction of template instructions and atomic methods, as well as one or more pieces of control structure which can include one or more methods, budgets, and/or etc. A registration process may require a budget to be created for the object. If an object creation process specifies an initial distribution, an administrative object may also be created for distribution. The administrative object may contain one or more permission records 808, other control structures, methods, and/or load modules.

Permissions records 808 may specify various control relationships between objects and users. For example, VDE 100 supports both single access (e.g., one-to-one relationship between a user and a right user) and group access (any number of people

may be authorized as a group). A single permissions record 808 can define both single and group access. VDE 100 may provide "sharing," a process that allows multiple users to share a single control budget as a budget. Additional control structure concepts include distribution, redistribution, and audit, the latter supporting meter and budget information reduction and/or transfer. All of these processes are normally securely controlled by one or more VDE secure subsystems.

#### **Templates and Classes**

VDE templates, classes, and flexible control structures support frameworks for organizations and individuals that create, modify, market, distribute, redistribute, consume, and otherwise use movies, audio recordings and live performances, magazines, telephony based retail sales, catalogs, computer software, information databases, multimedia, commercial communications, advertisements, market surveys, infomercials, games, CAD/CAM services for numerically controlled machines, and the like. As the context surrounding these classes changes or evolves, the templates provided by the preferred embodiment of the present invention can be modified to meet these changes for broad use, or more focused activities.

VDE 100 authoring may provide three inputs into a create process: Templates, user input and object content. Templates

act as a set of control instructions and/or data for object control software which are capable of creating (and/or modifying) VDE objects in a process that interacts with user instructions and provided content to create a VDE object. Templates are usually specifically associated with object creation and/or control structures. Classes represent user groups which can include "natural" groups within an organization, such as department members, specific security clearance levels, etc., or ad hoc lists of individual's and/or VDE nodes.

For example, templates may be represented as text files defining specific structures and/or component assemblies. Templates, with their structures and/or component assemblies may serve as VDE object authoring or object control applications. A creation template may consist of a number of sub-templates, which, at the lowest level, represent an "atomic level" of description of object specification. Templates may present one or more models that describe various aspects of a content object and how the object should be created including employing secure atomic methods that are used to create, alter, and/or destroy permissions records 808 and/or associated budgets, etc.

Templates, classes (including user groups employing an object under group access), and flexible control structures including object "independent" permissions records (permissions

that can be associated with a plurality of objects) and structures that support budgeting and auditing as separate VDE processes, help focus the flexible and configurable capabilities inherent within authoring provided by the present invention in the context of specific industries and/or businesses and/or applications. VDE rationalizes and encompasses distribution scenarios currently employed in a wide array of powerful industries (in part through the use of application or industry specific templates). Therefore, it is important to provide a framework of operation and/or structure to allow existing industries and/or applications and/or businesses to manipulate familiar concepts related to content types, distribution approaches, pricing mechanisms, user interactions with content and/or related administrative activities, budgets, and the like.

The VDE templates, classes, and control structures are inherently flexible and configurable to reflect the breadth of information distribution and secure storage requirements, to allow for efficient adaptation into new industries as they evolve, and to reflect the evolution and/or change of an existing industry and/or business, as well as to support one or more groups of users who may be associated with certain permissions and/or budgets and object types. The flexibility of VDE templates, classes, and basic control structures is enhanced through the use of VDE aggregate and control methods which have a compound,

conditional process impact on object control. Taken together, and employed at times with VDE administrative objects and VDE security arrangements and processes, the present invention truly achieves a content control and auditing architecture that can be configured to most any commercial distribution embodiment. Thus, the present invention fully supports the requirements and biases of content providers without forcing them to fit a predefined application model. It allows them to define the rights, control information, and flow of their content (and the return of audit information) through distribution channels.

**Modifying Object Content (Adding, Hiding, Modifying, Removing, and/or Extending)**

Adding new content to objects is an important aspect of authoring provided by the present invention. Providers may wish to allow one or more users to add, hide, modify, remove and/or extend content that they provide. In this way, other users may add value to, alter for a new purpose, maintain, and/or otherwise change, existing content. The ability to add content to an empty and/or newly created object is important as well.

When a provider provides content and accompanying control information, she may elect to add control information that enables and/or limits the addition, modification, hiding and/or deletion of said content. This control information may concern:

- the nature and/or location of content that may be added, hidden, modified, and/or deleted;
- portions of content that may be modified, hidden, deleted and/or added to;
- required secure control information over subsequent VDE container content usage in a chain of control and/or locally to added, hidden, and/or modified content;
- requirements that provider-specified notices and/or portions of content accompany added, hidden, deleted and/or modified content and/or the fact that said adding, hiding, modification and/or deletion occurred;
- secure management of limitations and/or requirements concerning content that may be removed, hidden and/or deleted from content, including the amount and/or degree of addition, hiding, modification and/or deletion of content;
- providing notice to a provider or providers that modification, hiding, addition and/or deletion has occurred and/or the nature of said occurrence; and
- other control information concerned with modification, addition, hiding, and/or deleting provider content.

A provider may use this control information to establish an opportunity for other users to add value to and/or maintain existing content in a controlled way. For example, a provider of software development tools may allow other users to add commentary and/or similar and/or complementary tools to their provided objects. A provider of movies may allow commentary and/or promotional materials to be added to their materials. A provider of CAD/CAM specifications to machine tool owners may allow other users to modify objects containing instructions associated with a specification to improve and/or translate said instructions for use with their equipment. A database owner may allow other users to add and/or remove records from a provided database object to allow flexibility and/or maintenance of the database.

Another benefit of introducing control information is the opportunity for a provider to allow other users to alter content for a new purpose. A provider may allow other users to provide content in a new setting.

To attach this control information to content, a provider may be provided with, or if allowed, design and implement, a method or methods for an object that govern addition, hiding, modification and/or deletion of content. Design and implementation of such one or more methods may be performed

using VDE software tools in combination with a PPE 650. The provider may then attach the method(s) to an object and/or provide them separately. A permissions record 808 may include requirements associated with this control information in combination with other control information, or a separate permissions record 808 may be used.

An important aspect of adding or modifying content is the choice of encryption/decryption keys and/or other relevant aspects of securing new or altered content. The provider may specify in their method(s) associated with these processes a technique or techniques to be used for creating and/or selecting the encryption/decryption keys and/or other relevant aspect of securing new and/or altered content. For example, the provider may include a collection of keys, a technique for generating new keys, a reference to a load module that will generate keys, a protocol for securing content, and/or other similar information.

Another important implication is the management of new keys, if any are created and/or used. A provider may require that such keys and reference to which keys were used must be transmitted to the provider, or she may allow the keys and/or securing strategy to remain outside a provider's knowledge and/or control. A provider may also choose an intermediate



course in which some keys must be transmitted and others may remain outside her knowledge and/or control.

An additional aspect related to the management of keys is the management of permissions associated with an object resulting from the addition, hiding, modification and/or deletion of content. A provider may or may not allow a VDE chain of control information user to take some or all of the VDE rules and control information associated with granting permissions to access and/or manipulate VDE managed content and/or rules and control information associated with said resulting object. For example, a provider may allow a first user to control access to new content in an object, thereby requiring any other user of that portion of content to receive permission from the first user. This may or may not, at the provider's discretion, obviate the need for a user to obtain permission from the provider to access the object at all.

Keys associated with addition, modification, hiding and/or deletion may be stored in an independent permissions record or records 808. Said permissions record(s) 808 may be delivered to a provider or providers and potentially merged with an existing permissions record or records, or may remain solely under the control of the new content provider. The creation and content of an initial permissions record 808 and any control information

over the permissions record(s) are controlled by the method(s) associated with activities by a provider. Subsequent modification and/or use of said permission record(s) may involve a provider's method(s), user action, or both. A user's ability to modify and/or use permissions record(s) 808 is dependent on, at least in part, the senior control information associated with the permissions record(s) of a provider.

#### **Distribution Control information**

To enable a broad and flexible commercial transaction environment, providers should have the ability to establish firm control information over a distribution process without unduly limiting the possibilities of subsequent parties in a chain of control. The distribution control information provided by the present invention allow flexible positive control. No provider is required to include any particular control, or use any particular strategy, except as required by senior control information. Rather, the present invention allows a provider to select from generic control components (which may be provided as a subset of components appropriate to a provider's specific market, for example, as included in and/or directly compatible with, a VDE application) to establish a structure appropriate for a given chain of handling/control. A provider may also establish control information on their control information that enable and limit modifications to their control information by other users.

The administrative systems provided by the present invention generate administrative "events." These "events" correspond to activities initiated by either the system or a user that correspond to potentially protected processes within VDE. These processes include activities such as copying a permissions record, copying a budget, reading an audit trail record, copying a method, updating a budget, updating a permissions record, updating a method, backing up management files, restoring management files, and the like. Reading, writing, modifying, updating, processing, and/or deleting information from any portion of any VDE record may be administrative events. An administrative event may represent a process that performs one or more of the aforementioned activities on one or more portions of one or more records.

When a VDE electronic appliance 600 encounters an administrative event, that event is typically processed in conjunction with a VDE PPE 650. As in the case of events generally related to access and/or use of content, in most cases administrative events are specified by content providers (including, for example, content creators, distributors, and/or client administrators) as an aspect of a control specified for an object, group and/or class of objects.

For example, if a user initiates a request to distribute permission to use a certain object from a desktop computer to a notebook computer, one of the administrative events generated may be to create a copy of a permissions record that corresponds to the object. When this administrative event is detected by ROS 602, an EVENT method for this type of event may be present. If an EVENT method is present, there may also be a meter, a billing, and a budget associated with the EVENT method. Metering, billing, and budgeting can allow a provider to enable and limit the copying of a permissions record 808.

For example, during the course of processing a control program, a meter, a billing, and a budget and/or audit records may be generated and/or updated. Said audit records may record information concerning circumstances surrounding an administrative event and processing of said event. For example, an audit record may contain a reference to a user and/or system activity that initiated an event, the success or failure of processing said event, the date and/or time, and/or other relevant information.

Referring to the above example of a user with both a desktop and notebook computer, the provider of a permissions record may require an audit record each time a meter for copying said permissions record is processed. The audit record provides a

flexible and configurable control and/or recording environment option for a provider.

In some circumstances, it may be desirable for a provider to limit which aspects of a control component may be modified, updated, and/or deleted. "Atomic element definitions" may be used to limit the applicability of events (and therefore the remainder of a control process, if one exists) to certain "atomic elements" of a control component. For example, if a permissions record 808 is decomposed into "atomic elements" on the fields described in Figure 26, an event processing chain may be limited, for example, to a certain number of modifications of expiration date/time information by specifying only this field in an atomic element definition. In another example, a permissions record 808 may be decomposed into atomic elements based on control sets. In this example, an event chain may be limited to events that act upon certain control sets.

In some circumstances, it may be desirable for a provider to control how administrative processes are performed. The provider may choose to include in distribution records stored in secure database 610 information for use in conjunction with a component assembly 690 that controls and specifies, for example, how processing for a given event in relation to a given method and/or record should be performed. For example, if a provider

wishes to allow a user to make copies of a permissions record 808, she may want to alter the permissions record internally. For example, in the earlier example of a user with a desktop and a notebook computer, a provider may allow a user to make copies of information necessary to enable the notebook computer based on information present in the desktop computer, but not allow any further copies of said information to be made by the notebook VDE node. In this example, the distribution control structure described earlier would continue to exist on the desktop computer, but the copies of the enabling information passed to the notebook computer would lack the required distribution control structure to perform distribution from the notebook computer. Similarly, a distribution control structure may be provided by a content provider to a content provider who is a distributor in which a control structure would enable a certain number of copies to be made of a VDE content container object along with associated copies of permissions records, but the permissions records would be altered (as per specification of the content provider, for example) so as not to allow end-users who received distributor created copies from making further copies for distribution to other VDE nodes.

Although the preceding example focuses on one particular event (copying) under one possible case, similar processes may be used for reading, writing, modifying, updating, processing,

and/or deleting information from records and/or methods under any control relationship contemplated by the present invention. Other examples include: copying a budget, copying a meter, updating a budget, updating a meter, condensing an audit trail, and the like.

### **Creating Custom Methods**

In the preferred embodiment of the present invention, methods may be created "at will," or aliased to another method. These two modes contribute to the superior configurability, flexibility, and positive control of the VDE distribution process. Generally, creating a method involves specifying the required attributes or parameters for the data portion of the method, and then "typing" the method. The typing process typically involves choosing one or more load modules to process any data portions of a method. In addition to the method itself, the process of method creation may also result in a method option subrecord for inclusion in, or modification of, a permissions record, and a notation in the distribution records. In addition to any "standard" load module(s) required for exercise of the method, additional load modules, and data for use with those load modules, may be specified if allowed. These event processing structures control the distribution of the method.

For example, consider the case of a security budget. One form of a typical budget might limit the user to 10Mb of decrypted data per month. The user wishes to move their rights to use the relevant VDE content container object to their notebook. The budget creator might have limited the notebook to the same amount, half the original amount, a prorated amount based on the number of moves budgeted for an object, etc. A distribute method (or internal event processing structure) associated with the budget allows the creator of the budget to make a determination as to the methodology and parameters involved. Of course, different distribution methods may be required for the case of redistribution, or formal distribution of the method. The aggregate of these choices is stored in a permissions record for the method.

An example of the process steps used for the move of a budget record might look something like this:

- 1) Check the move budget (e.g., to determine the number of moves allowed)
- 2) Copy static fields to new record (e.g., as an encumbrance)
- 3) Decrement the Decr counter in the old record (the original budget)
- 4) Increment the Encumbrance counter in the old record



- 5) Write a distribution record
- 6) Write a Distribution Event Id to the new record
- 7) Increment the move meter
- 8) Decrement the move budget
- 9) Increment the Decr counter in the new record

### **Creating a Budget**

In the preferred embodiment, to create a budget, a user manipulates a Graphical User Interface budget distribution application (e.g., a VDE template application). The user fills out any required fields for type(s) of budget, expiration cycle(s), auditor(s), etc. A budget may be specified in dollars, deutsche marks, yen, and/or in any other monetary or content measurement schema and/or organization. The preferred embodiment output of the application, normally has three basic elements. A notation in the distribution portion of secure database 610 for each budget record created, the actual budget records, and a method option record for inclusion in a permissions record. Under some circumstances, a budget process may not result in the creation of a method option since an existing method option may be being used. Normally, all of this output is protected by storage in secure database 610 and/or in one or more administrative objects.

There are two basic modes of operation for a budget distribution application in the preferred embodiment. In the first case, the operator has an unlimited ability to specify budgets. The budgets resulting from this type of activity may be freely used to control any aspect of a distribution process for which an operator has rights, including for use with "security" budgets such as quantities limiting some aspect of usage. For example, if the operator is a "regular person," he may use these budgets to control his own utilization of objects based on a personal accounting model or schedule. If the operator is an authorized user at VISA, the resulting budgets may have broad implications for an entire distribution system. A core idea is that this mode is controlled strictly by an operator.

The second mode of operation is used to create "alias" budgets. These budgets are coupled to a preexisting budget in an operator's system. When an operator fills a budget, an encumbrance is created on the aliased budget. When these types of budgets are created, the output includes two method option subrecords coupled together: the method option subrecord for the aliased budget, and a method option subrecord for the newly created budget. In most cases, the alias budget can be used in place of the original budget if the budget creator is authorized to modify the method options within the appropriate required method record of a permissions record.

For example, assume that a user (client administrator) at a company has the company's VISA budget on her electronic appliance 600. She wants to distribute budget to a network of company users with a variety of preexisting budgets and requirements. She also wants to limit use of the company's VISA budget to certain objects. To do this, she aliases a company budget to the VISA budget. She then modifies (if so authorized) the permissions record for all objects that the company will allow their users to manipulate so that they recognize the company budget in addition to, or instead of, the VISA budget. She then distributes the new permissions records and budgets to her users. The audit data from these users is then reduced against the encumbrance on the company's VISA budget to produce a periodic billing.

In another example, a consumer wants to control his family's electronic appliance use of his VISA card, and prevent his children from playing too many video games, while allowing unlimited use of encyclopedias. In this case, he could create two budgets. The first budget can be aliased to his VISA card, and might only be used with encyclopedia objects (referenced to individual encyclopedia objects and/or to one or more classes of encyclopedia objects) that reference the aliased budget in their explicitly modified permissions record. The second budget could be, for example, a time budget that he redistributes to the family

for use with video game objects (video game class). In this instance, the second budget is a "self-replenishing" security/control budget, that allows, for example, two hours of use per day. The first budget operates in the same manner as the earlier example. The second budget is added as a new required method to permissions records for video games. Since the time budget is required to access the video games, an effective control path is introduced for requiring the second budget -- only permissions records modified to accept the family budget can be used by the children for video games and they are limited to two hours per day.

### **Sharing and Distributing Rights and Budgets**

#### **Move**

The VDE "move" concept provided by the preferred embodiment covers the case of "friendly sharing" of rights and budgets. A typical case of "move" is a user who owns several machines and wishes to use the same objects on more than one of them. For example, a user owns a desktop and a notebook computer. They have a subscription to an electronic newspaper that they wish to read on either machine, i.e., the user wishes to move rights from one machine to the other.

An important concept within "move" is the idea of independent operation. Any electronic appliance 600 to which

rights have been moved may contact distributors or clearinghouses independently. For example, the user mentioned above may want to take their notebook on the road for an extended period of time, and contact clearinghouses and distributors without a local connection to their desktop.

To support independent operation, the user should be able to define an account with a distributor or clearinghouse that is independent of the electronic appliance 600 she is using to connect. The transactions must be independently traceable and reconcilable among and between machines for both the end user and the clearinghouse or distributor. The basic operations of moving rights, budgets, and bitmap or compound meters between machines is also supported.

### **Redistribution**

Redistribution forms a UDE middle ground between the "friendly sharing" of "move," and formal distribution. Redistribution can be thought of as "anonymous distribution" in the sense that no special interaction is required between a creator, clearinghouse, or distributor and a redistributor. Of course, a creator or distributor does have the ability to limit or prevent redistribution.

Unlike the "move" concept, redistribution does not imply independent operation. The redistributor serves as one point of contact for users receiving redistributed rights and/or budgets, etc. These users have no knowledge of, or access to, the clearinghouse (or and/or distributor) accounts of the redistributor. The redistributor serves as an auditor for the rights and/or budgets, etc. that they redistribute, unless specifically overridden by restrictions from distributors and/or clearinghouses. Since redistributees (recipients of redistributed rights and/or budgets, etc.) would place a relatively unquantifiable workload on clearinghouses, and furthermore, since a redistributor would be placing himself at an auditable risk (responsible for all redistributed rights and/or budgets, etc.), the audit of rights, budgets, etc. of redistributees by redistributors is assumed as the default case in the preferred embodiment.

### **Distribution**

Distribution involves three types of entity. Creators usually are the source of distribution. They typically set the control structure "context" and can control the rights which are passed into a distribution network. Distributors are users who form a link between object (content) end users and object (content) creators. They can provide a two-way conduit for rights and audit data. Clearinghouses may provide independent

financial services, such as credit and/or billing services, and can serve as distributors and/or creators. Through a permissions and budgeting process, these parties collectively can establish fine control over the type and extent of rights usage and/or auditing activities.

### **Encumbrance**

An "encumbrance" is a special type of VDE budget. When that a budget distribution of any type occurs, an "encumbrance" may be generated. An encumbrance is indistinguishable from an original budget for right exercise (e.g., content usage payment) purposes, but is uniquely identified within distribution records as to the amount of the encumbrance, and all necessary information to complete a shipping record to track the whereabouts of an encumbrance. For right exercise purposes, an encumbrance is identical to an original budget; but for tracking purposes, it is uniquely identifiable.

In the preferred embodiment of the present invention, a Distribution Event ID will be used by user VDE nodes and by clearinghouse services to track and reconcile encumbrances, even in the case of asynchronous audits. That is, the "new" encumbrance budget is unique from a tracking point of view, but indistinguishable from a usage point of view.

Unresolved encumbrances are a good intermediate control for a VDE distribution process. A suitable "grace period" can be introduced during which encumbrances must be resolved. If this period elapses, an actual billing or payment may occur. However, even after the interval has expired and the billing and/or payment made, an encumbrance may still be outstanding and support later reconciliation. In this case, an auditor may allow a user to gain a credit, or a user may connect to a VDE node containing an encumbered budget, and resolve an amount as an internal credit. In some cases, missing audit trails may concern a distributor sufficiently to revoke redistribution privileges if encumbrances are not resolved within a "grace period," or if there are repeated grace period violations or if unresolved encumbrances are excessively large.

Encumbrances can be used across a wide variety of distribution modes. Encumbrances, when used in concert with aliasing of budgets, opens important additional distribution possibilities. In the case of aliasing a budget, the user places himself in the control path for an object -- an aliased budget may only be used in conjunction with permissions records that have been modified to recognize it. An encumbrance has no such restrictions.



For example, a user may want to restrict his children's use of his electronic, VDE node VISA budget. In this case, the user can generate an encumbrance on his VISA budget for the children's family alias budget, and another for his wife that is a transparent encumbrance of the original VISA budget. BigCo may use a similar mechanism to distribute VISA budget to department heads, and aliased BigCo budget to users directly.

### **Account Numbers and User IDs**

In the preferred embodiment, to control access to clearinghouses, users are assigned account numbers at clearinghouses. Account numbers provide a unique "instance" value for a secure database record from the point of view of an outsider. From the point of view of an electronic appliance 600 site, the user, group, or group/user ids provide the unique instance of a record. For example, from the point of view of VISA, your Gold Card belongs to account number #123456789. From the point of view of the electronic appliance site (for example, a server at a corporation), the Gold card might belong to user id 1023. In organizations which have plural users and/or user groups using a VDE node, such users and/or user groups will likely be assigned unique user IDs. differing budgets and/or other user rights may be assigned to different users and/or user groups and/or other VDE control information may be applied on a differing manner to electronic content and/or appliance usage by

users assigned with different such IDs. Of course, both a clearinghouse and a local site will likely have both pieces of information, but "used data" versus the "comment data" may differ based on perspective.

In the preferred embodiment case of "move," an account number stored with rights stays the same. In the preferred embodiment of other forms of distribution, a new account number is required for a distributee. This may be generated automatically by the system, or correspond to a methodology developed by a distributor or redistributor. Distributors maintain account numbers (and associated access secrets) in their local name services for each distributee. Conversely, distributees' name services may store account numbers based on user id for each distributor. This record usually is moved with other records in the case of move, or is generated during other forms of distribution.

Organizations (including families) may automatically assign unique user IDs when creating control information (e.g., a budget) for a new user or user group.

#### **Requirements Record**

In order to establish the requirements, and potentially options, for exercising a right associated with a VDE content

container object before one or more required permissions records are received for that object, a requirements record may exist in the private header of such an object. This record will help the user establish what they have, and what they need from a distributor prior to forming a connection. If the requirements or possibilities for exercising a particular right have changed since such an object was published, a modified requirements record may be included in a container with an object (if available and allowed), or a new requirements record may be requested from a distributor before registration is initiated. Distributors may maintain "catalogs" online, and/or delivered to users, of collections of requirements records and/or descriptive information corresponding to objects for which they may have ability to obtain and/or grant rights to other users.

### **Passing an Audit**

In the preferred embodiment of VDE there may be at least two types of auditing. In the case of budget distribution, billing records that reflect consumption of a budget generally need to be collected and processed. In the case of permissions distribution, usage data associated with an object are also frequently required.

In order to effect control over an object, a creator may establish the basic control information associated with an object.

This is done in the formulation of permissions, the distribution of various security, administrative and/or financial budgets, and the level of redistribution that is allowed, etc. Distributors (and redistributors) may further control this process within the rights, budgets, etc. (senior control information) they have received.

For example, an object creator may specify that additional required methods may be added freely to their permissions records, establish no budget for this activity, and allow unlimited redistribution of this right. As an alternative example, a creator may allow moving of usage rights by a distributor to half a dozen subdistributors, each of whom can distribute 10,000 copies, but with no redistribution rights being allowed to be allocated to subdistributors' (redistributors') customers. As another example, a creator may authorize the moving of usage rights to only 10 VDE nodes, and to only one level of distribution (no redistribution). Content providers and other contributors of control information have the ability through the use of permissions records and/or component assemblies to control rights other users are authorized to delegate in the permissions records they send to those users, so long as such right to control one, some, or all such rights of other users is either permitted or restricted (depending on the control information distribution model). It is possible and often desirable, using VDE, to construct a mixed model in which a distributor is restricted from

controlling certain rights of subsequent users and is allowed to control other rights. VDE control of rights distribution in some VDE models will in part or whole, at least for certain one or more "levels" of a distribution chain, be controlled by electronic content control information providers who are either not also providers of the related content or provide only a portion of the content controlled by said content control information. for example, in certain models, a clearinghouse might also serve as a rights distribution agent who provides one or more rights to certain value chain participants, which one or more rights may be "attached" to one or more rights to use the clearinghouse's credit (if said clearinghouse is, at least in part, a financial clearinghouse (such a control information provider may alternatively, or in addition, restrict other users' rights.

A content creator or other content control information provider may budget a user (such as a distributor) to create an unlimited number of permissions records for a content object, but revoke this right and/or other important usage rights through an expiration/termination process if the user does not report his usage (provide an audit report) at some expected one or more points in time and/or after a certain interval of time (and/or if the user fails to pay for his usage or violates other aspects of the agreement between the user and the content provider). This termination (or suspension or other specified consequence) can be

enforced, for example, by the expiration of time-aged encryption keys which were employed to encrypt one or more aspects of control information. This same termination (or other specified consequence such as budget reduction, price increase, message displays on screen to users, messages to administrators, etc.) can also be the consequence of the failure by a user or the users VDE installation to complete a monitored process, such as paying for usage in electronic currency, failure to perform backups of important stored information (e.g., content and/or appliance usage information, control information, etc.), failure to use a repeated failure to use the proper passwords or other identifiers, etc.).

Generally, the collection of audit information that is collected for reporting to a certain auditor can be enforced by expiration and/or other termination processes. For example, the user's VDE node may be instructed (a) from an external source to no longer perform certain tasks, (b) carries within its control structure information informing it to no longer perform certain tasks, or (c) is otherwise no longer able to perform certain tasks. The certain tasks might comprise one or more enabling operations due to a user's (or installation's) failure to either report said audit information to said auditor and/or receive back a secure confirmation of receipt and/or acceptance of said audit information. If an auditor fails to receive audit information from

a user (or some other event fails to occur or occur properly), one or more time-aged keys which are used, for example, as a security component of an embodiment of the present invention, may have their aging suddenly accelerated (completed) so that one or more processes related to said time-aged keys can no longer be performed.

#### **Authorization Access Tags and Modification Access Tags**

In order to enable a user VDE installation to pass audit information to a VDE auditing party such as a Clearinghouse, VDE allows a VDE auditing party to securely, electronically communicate with the user VDE installation and to query said installation for certain or all information stored within said installation's secure sub-system, depending on said auditing party's rights (said party shall normally be unable to access securely stored information that said party is not expressly authorized to access, that is one content provider will normally not be authorized to access content usage information related to content provided by a different content provider). The auditing party asserts a secure secret (e.g., a secure tag) that represents the set of rights of the auditor to access certain information maintained by said subsystem. If said subsystem validates said tag, the auditing party may then receive auditing information that it is allowed to request and receive.

Great flexibility exists in the enforcement of audit trail requirements. For example, a creator (or other content provider or control information provider or auditor in an object's or audit report's chain of handling) may allow changes by an auditor for event trails, but not allow anyone but themselves to read those trails, and limit the redistribution of this right to, for example, six levels. Alternatively, a creator or other controlling party may give a distributor the right to process, for example, 100,000 audit records (and/or, for example, the right to process 12 audit records from a given user) before reporting their usage. If a creator or other controlling party desires, he may allow (and/or require) separate (and containing different, a subset of, overlapping, or the same information) audit "packets" containing audit information, certain of said audit information to be processed by a distributor and certain other of said audit information to be passed back to the creator and/or other auditors (each receiving the same, overlapping, a subset of, or different audit information). Similarly, as long as allowed by, for example, an object creator, a distributor (or other content and/or control information provider) may require audit information to be passed back to it, for example, after every 50,000 audit records are processed (or any other unit of quantity and/or after a certain time interval and/or at a certain predetermined date) by a redistributor. In the preferred embodiment, audit rules, like other control structures, may be stipulated at any stage of a



distribution chain of handling as long as the right to stipulate said rules has not been restricted by a more "senior" object and/or control information distributing (such as an auditing) participant.

Audit information that is destined for different auditors may be encrypted by different one or more encryption keys which have been securely provided by each auditor's VDE node and communicated for inclusion in a user's permissions record(s) as a required step, for example, during object registration. This can provide additional security to further ensure (beyond the use of passwords and/or other identification information and other VDE security features) that an auditor may only access audit information to which he is authorized. In one embodiment, encrypted (and/or unencrypted) "packets" of audit information (for example, in the form of administrative objects) may be bound for different auditors including a clearinghouse and/or content providers and/or other audit information users (including, for example, market analysts and/or list purveyors). The information may pass successively through a single chain of handling, for example, user to clearinghouse to redistributor to distributor to publisher/object creator, as specified by VDE audit control structures and parameters. Alternatively, encrypted (or, normally less preferably, unencrypted) audit packets may be required to be dispersed directly from a user to a plurality of

auditors, some one or more who may have the responsibility to "pass along" audit packets to other auditors. In another embodiment, audit information may be passed, for example, to a clearinghouse, which may then redistribute all and/or appropriate subsets of said information (and/or some processed result) to one or more other parties, said redistribution employing VDE secure objects created by said clearinghouse.

An important function of an auditor (receiver of audit information) is to pass administrative events back to a user VDE node in acknowledgement that audit information has been received and/or "recognized." In the preferred embodiment, the receipt and/or acceptance of audit information may be followed by two processes. The first event will cause the audit data at a VDE node which prepared an audit report to be deleted, or compressed into, or added to, one or more summary values. The second event, or set of events, will "inform" the relevant security (for example, termination and/or other consequence) control information (for example, budgets) at said VDE node of the audit receipt, modify expiration dates, provide key updates, and/or etc. In most cases, these events will be sent immediately to a site after an audit trail is received. In some cases, this transmission may be delayed to, for example, first allow processing of the audit trail and/or payment by a user to an auditor or other party.

In the preferred embodiment, the administrative events for content objects and independently distributed methods/component assemblies are similar, but not necessarily identical. For example, key updates for a budget may control encryption of a billing trail, rather than decryption of object content. The billing trail for a budget is in all respects a method event trail. In one embodiment, this trail must include sufficient references into distribution records for encumbrances to allow reconciliation by a clearinghouse. This may occur, for example, if a grace period elapses and the creator of a budget allows unresolved encumbrances to ultimately yield automatic credits if an expired encumbrance is "returned" to the creator.

Delivery of audit reports through a path of handling may be in part insured by an inverse (return of information) audit method. Many VDE methods have at least two pieces: a portion that manages the process of producing audit information at a user's VDE node; and a portion that subsequently acts on audit data. In an example of the handling of audit information bound for a plurality of auditors, a single container object is received at a clearinghouse (or other auditor). This container may contain (a) certain encrypted audit information that is for the use of the clearinghouse itself, and (b) certain other encrypted audit information bound for other one or more auditor parties. The two sets of information may have the same, overlapping and in part

different, or entirely different, information content.

Alternatively, the clearinghouse VDE node may be able to work with some or all of the provided audit information. The audit information may be, in part, or whole, in some summary and/or analyzed form further processed at the clearinghouse and/or may be combined with other information to form a, at least in part, derived set of information and inserted into one or more at least in part secure VDE objects to be communicated to said one or more (further) auditor parties. When an audit information container is securely processed at said clearinghouse VDE node by said inverse (return) audit method, the clearinghouse VDE node can create one or more VDE administrative objects for securely carrying audit information to other auditors while separately processing the secure audit information that is specified for use by said clearinghouse. Secure audit processes and credit information distribution between VDE participants normally takes place within the secure VDE "black box," that is processes are securely processed within secure VDE PPE650 and audit information is securely communicated between the VDE secure subsystems of vDE participants employing VDE secure communication techniques (e.g., public key encryption, and authentication).

This type of inverse audit method may specify the handling of returned audit information, including, for example, the local

processing of audit information and/or the secure passing along of audit information to one or more auditor parties. If audit information is not passed to one or more other auditor parties as may be required and according to criteria that may have been set by said one or more other auditor parties and/or content providers and/or control information providers during a permissions record specification and/or modification process, the failure to, for example, receive notification of successful transfer of required audit information by an auditor party, e.g., a content provider, can result in the disablement of at least some capability of the passing through party's VDE node (for example, disablement of the ability to further perform certain one or more VDE managed business functions that are related to object(s) associated with said audit or party). In this preferred embodiment example, when an object is received by an auditor, it is automatically registered and permissions record(s) contents are entered into the secure management database of the auditor's VDE node.

One or more permissions records that manage the creation and use of an audit report object (and may manage other aspects of object use as well) may be received by a user's system during an audit information reporting exchange (or other electronic interaction between a user and an auditor or auditor agent). Each received permissions record may govern the creation of the

next audit report object. After the reporting of audit information, a new permissions record may be required at a user's VDE node to refresh the capability of managing audit report creation and audit information transfer for the next audit reporting cycle. In our above example, enabling an auditor to supply one or more permissions records to a user for the purpose of audit reporting may require that an auditor (such as a clearinghouse) has received certain, specified permissions records itself from "upstream" auditors (such as, for example, content and/or other content control information providers). Information provided by these upstream permissions records may be integrated into the one or more permissions records at an auditor VDE (e.g., clearinghouse) installation that manage the permissions record creation cycle for producing administrative objects containing permissions records that are bound for users during the audit information reporting exchange. If an upstream auditor fails to receive, and/or is unable to process, required audit information, this upstream auditor may fail to provide to the clearinghouse (in this example) the required permissions record information which enables a distributor to support the next permission record creation/auditing cycle for a given one or more objects (or class of objects). As a result, the clearinghouse's VDE node may be unable to produce the next cycle's permissions records for users, and/or perform some other important process. This VDE audit reporting control process may be entirely electronic process

management involving event driven VDE activities at both the intended audit information receiver and sender and employing both their secure PPE650 and secure VDE communication techniques.

In the preferred embodiment, each time a user registers a new object with her own VDE node, and/or alternatively, with a remote clearinghouse and/or distributor VDE node, one or more permissions records are provided to, at least in part, govern the use of said object. The permissions records may be provided dynamically during a secure UDE registration process (employing the VDE installation secure subsystem), and/or may be provided following an initial registration and received at some subsequent time, e.g. through one or more separate secure VDE communications, including, for example, the receipt of a physical arrangement containing or otherwise carrying said information. At least one process related to the providing of the one or more permissions records to a user can trigger a metering event which results in audit information being created reflecting the user's VDE node's, clearinghouse's, and/or distributor's permissions records provision process. This metering process may not only record that one or more permissions records have been created. It may also record the VDE node name, user name, associated object identification information, time, date, and/or other identification information. Some or all of this information can

become part of audit information securely reported by a clearinghouse or distributor, for example, to an auditing content creator and/or other content provider. This information can be reconciled by secure VDE applications software at a receiving auditor's site against a user's audit information passed through by said clearinghouse or distributor to said auditor. For each metered one or more permissions records (or set of records) that were created for a certain user (and/or VDE node) to manage use of certain one or more VDE object(s) and/or to manage the creation of VDE object audit reports, it may be desirable that an auditor receive corresponding audit information incorporated into an, at least in part, encrypted audit report. This combination of metering of the creation of permissions records; secure, encrypted audit information reporting processes; secure VDE subsystem reconciliation of metering information reflecting the creation of registration and/or audit reporting permissions with received audit report detail; and one or more secure VDE installation expiration and/or other termination and/or other consequence processes; taken together significantly enhances the integrity of the VDE secure audit reporting process as a trusted, efficient, commercial environment.



### **Secure Document Management Example**

VDE 100 may be used to implement a secure document management environment. The following are some examples of how this can be accomplished.

In one example, suppose a law firm wants to use VDE 100 to manage documents. In this example, a law firm that is part of a litigation team might use VDE in the following ways:

1. to securely control access to, and/or other usage of, confidential client records,
2. to securely control access, distribution, and/or other rights to documents and memoranda created at the law firm,
3. to securely control access and other use of research materials associated with the case,
4. to securely control access and other use, including distribution of records, documents, and notes associated with the case,
5. to securely control how other firms in the litigation team may use, including change, briefs that have been distributed for comment and review,
6. to help manage client billing.

The law firm may also use VDE to electronically file briefs with the court (presuming the court is also VDE capable) including providing secure audit verification of the ID (e.g., digital signature) of filers and other information pertinent to said filing procedure.

In this example, the law firm receives in VDE content containers documents from their client's VDE installation secure subsystem(s). Alternatively, or in addition, the law firm may receive either physical documents which may be scanned into electronic form, and/or they receive electronic documents which have not yet been placed in VDE containers. The electronic form of a document is stored as a VDE container (object) associated with the specific client and/or case. The VDE container mechanism supports a hierarchical ordering scheme for organizing files and other information within a container; this mechanism may be used to organize the electronic copies of the documents within a container. A VDE container is associated with specific access control information and rights that are described in one or more permissions control information sets (PERCs) associated with that container. In this example, only those members of the law firm who possess a VDE instance, an appropriate PERC, and the VDE object that contains the desired document, may use the document. Alternatively or in addition, a law firm member may use a VDE instance which has been

installed on the law firm's network server. In this case, the member must be identified by an appropriate PERC and have access to the document containing VDE object (in order to use the server VDE installation). Basic access control to electronic documents is enabled using the secure subsystem of one or more user VDE installations.

VDE may be used to provide basic usage control in several ways. First, it permits the "embedding" of multiple containers within a single object. Embedded objects permit the "nesting" of control structures within a container. VDE also extends usage control information to an arbitrary granular level (as opposed to a file based level provided by traditional operating systems) and provides flexible control information over any action associated with the information which can be described as a VDE controlled process. For example, simple control information may be associated with viewing the one or more portions of documents and additional control information may be associated with editing, printing and copying the same and/or different one or more portions of these same documents.

In this example, a "client" container contains all documents that have been provided by the client (documents received in other containers can be securely extracted and embedded into the VDE client container using VDE extraction and embedding

capabilities). Each document in this example is stored as an object within the parent, client VDE container. The "client" container also has several other objects embedded within it; one for each attorney to store their client notes, one (or more) for research results and related information, and at least one for copies of letters, work papers, and briefs that have been created by the law firm. The client container may also contain other information about the client, including electronic records of billing, time, accounting, and payments. Embedding VDE objects within a parent VDE content container provides a convenient way to securely categorize and/or store different information that shares similar control information. All client provided documents may, for example, be subject to the same control structures related to use and non-disclosure. Attorney notes may be subject to control information, for example, their use may be limited to the attorney who created the notes and those attorneys to whom such creating attorney expressly grants access rights. Embedded containers also provide a convenient mechanism to control collections of dissimilar information. For example, the research object(s) may be stored in the form of (or were derived from) VDE "smart objects" that contain the results of research performed by that object. Research results related to one aspect of the case retrieved from a VDE enabled LEXIS site might be encapsulated as one smart object; the results of another session related to another (or the same) aspect of the case may be encapsulated as a

different object. Smart objects are used in this example to help show that completely disparate and separately delivered control information may be incorporated into a client container as desired and/or required to enforce the rights of providers (such as content owners).

Control structures may be employed to manage any variety of desired granularities and/or logical document content groupings; a document, page, paragraph, topically related materials, etc. In this example, the following assumptions are made: client provided documents are controlled at the page level, attorney notes are controlled at the document level on an attorney by attorney basis, court filings and briefs are controlled at a document level, research information is controlled at whatever level the content provider specifies at the time the research was performed, and certain highly confidential information located in various of the above content may be identified as subject to display and adding comments only, and only by the lead partner attorneys, with only the creator and/or embedder of a given piece of content having the right to be otherwise used (printed, extracted, distributed, etc).

In general, container content in this example is controlled with respect to distribution of rights. This control information are associated at a document level for all internally generated

documents, at a page level for client level documents, and at the level specified by the content provider for research documents.

VDE control information can be structured in either complex or simple structures, depending on the participant's desires. In some cases, a VDE creator will apply a series of control structure definitions that they prefer to use (and that are supported by the VDE application managing the specification of rules and control information, either directly, or through the use of certified application compatible VDE component assemblies.

In this example, the law firm sets up a standard VDE client content container for a new client at the time they accept the case. A law firm VDE administrator would establish a VDE group for the new client and add the VDE IDs of the attorneys at the firm that are authorized to work on the case, as well as provide, if appropriate, one or more user template applications. These templates provide, for example, one or more user interfaces and associated control structures for selection by users of additional and/or alternative control functions (if allowed by senior control information), entry of control parameter data, and/or performing user specific administrative tasks. The administrator uses a creation tool along with a predefined creation template to create the container. This creation template specifies the document usage (including distribution control

information) for documents as described above. Each electronic document from the client (including letters, memoranda, E-mail, spreadsheet, etc.) are then added to the container as separate embedded objects. Each new object is created using a creation template that satisfies that the default control structures specified with the container as required for each new object of a given type.

As each attorney works on the case, they may enter notes into an object stored within the client's VDE container. These notes may be taken using a VDE aware word processor already in use at the law firm. In this example, a VDE redirector handles the secure mapping of the word processor file requests into the VDE container and its objects through the use of VDE control processes operating with one or more VDE PPEs. Attorney note objects are created using the default creation template for the document type with assistance from the attorney if the type cannot be automatically determined from the content. This permits VDE to automatically detect and protect the notes at the predetermined level, e.g. document, page, paragraph.

Research can be automatically managed using VDE. Smart objects can be, used to securely search out, pay for if necessary, and retrieve information from VDE enabled information resources on the information highway.

Examples of such resources might include LEXIS, Westlaw, and other related legal databases. Once the information is retrieved, it may be securely embedded in the VDE content client container. If the smart object still contains unreleased information, the entire smart object may be embedded in the client's VDE container. This places the unreleased information under double VDE control requirements: those associated with releasing the information from smart object (such as payment and/or auditing requirements) and those associated with access to, or other usage of, client information of the specified type.

Briefs and other filings may be controlled in a manner similar to that for attorney notes. The filings may be edited using the standard word processors in the law firm; with usage control structures controlling who may review, change, and/or add to the document (or, in a more sophisticated example, a certain portion of said document). VDE may also support electronic filing of briefs by providing a trusted source for time/date stamping and validation of filed documents.

When the client and attorney want to exchange confidential information over electronic mail or other means, VDE can play an important role in ensuring that information exchanged under privilege, properly controlled, and not



inappropriately released and/or otherwise used. The materials (content) stored in a VDE content container object will normally be encrypted. Thus wrapped, a VDE object may be distributed to the recipient without fear of unauthorized access and/or other use. The one or more authorized users who have received an object are the only parties who may open that object and view and/or manipulate and/or otherwise modify its contents and VDE secure auditing ensures a record of all such user content activities. VDE also permits the revocation of rights to use client/attorney privileged information if such action becomes necessary, for example, after an administrator review of user usage audit information.

#### **Large Organization Example**

In a somewhat more general example, suppose an organization (e.g., a corporation or government department) with thousands of employees and numerous offices disposed throughout a large geographic area wishes to exercise control over distribution of information which belongs to said organization (or association). This information may take the form of formal documents, electronic mail messages, text files, multimedia files, etc., which collectively are referred to as "documents."

Such documents may be handled by people (referred to as "users") and/or by computers operating on behalf of users. The documents may exist both in electronic form for storage and transmission and in paper form for manual handling.

These documents may originate wholly within the organization, or may be created, in whole or in part, from information received from outside the organization. Authorized persons within the organization may choose to release documents, in whole or in part, to entities outside the organization. Some such entities may also employ VDE 100 for document control, whereas others may not.

#### **Document Control Policies**

The organization as a whole may have a well-defined policy for access control to, and/or other usage control of documents. This policy may be based on a "lattice model" of information flow, in which documents are characterized as having one or more hierarchical "classification" security attributes 9903 and zero or more non-hierarchical "compartment" security attributes, all of which together comprise a sensitivity security attribute.

The classification attributes may designate the overall level of sensitivity of the document as an element of an ordered set. For example, the set "unclassified," "confidential," "secret,"

"top secret" might be appropriate in a government setting, and the set "public," "internal," "confidential," "registered confidential" might be appropriate in a corporate setting.

The compartment attributes may designate the document's association with one or more specific activities within the organization, such as departmental subdivisions (e.g., "research," "development," "marketing") or specific projects within the organization.

Each person using an electronic appliance 600 would be assigned, by an authorized user, a set of permitted sensitivity attributes to designate those documents, or one or more portions of certain document types, which could be processed in certain one or more ways, by the person's electronic appliance. A document's sensitivity attribute would have to belong to the user's set of permitted sensitivity values to be accessible.

In addition, the organization may desire to permit users to exercise control over specific documents for which the user has some defined responsibility. As an example, a user (the "originating user") may wish to place an "originator controlled" ("ORCON") restriction on a certain document, such that the document may be transmitted and used only by those specific other users whom he designates (and only in certain, expressly

authorized ways). Such a restriction may be flexible if the "distribution list" could be modified after the creation of the document, specifically in the event of someone requesting permission from the originating user to transmit the document outside the original list of authorized recipients. The originating user may wish to permit distribution only to specific users, defined groups of users, defined geographic areas, users authorized to act in specific organizational roles, or a combination of any or all such attributes.

In this example, the organization may also desire to permit users to define a weaker distribution restriction such that access to a document is limited as above, but certain or all information within the document may be extracted and redistributed without further restriction by the recipients.

The organization and/or originating users may wish to know to what uses or geographic locations a document has been distributed. The organization may wish to know where documents with certain protection attributes have been distributed, for example, based on geographic information stored in site configuration records and/or name services records.

A user may wish to request a "return receipt" for a distributed document, or may wish to receive some indication of

how a document has been handled by its recipients (e.g., whether it has been viewed, printed, edited and/or stored), for example, by specifying one or more audit requirements (or methods known to have audit requirements) in a PERC associated with such document(s).

### **User Environment**

In an organization (or association) such as that described above, users may utilize a variety of electronic appliances 600 for processing and managing documents. This may include personal computers, both networked and otherwise, powerful single-user workstations, and servers or mainframe computers. To provide support for the control information described in this example, each electronic appliance that participates in use and management of VDE-protected documents may be enhanced with a VDE secure subsystem supporting an SPE 503 and/or HPE 655.

In some organizations, where the threats to secure operation are relatively low, an HPE 655 may suffice. In other organizations (e.g., government defense), it may be necessary to employ an SPE 503 in all situations where VDE-protected documents are processed. The choice of enhancement environment and technology may be different in different of the organization. Even if different types of PPE 650 are used within

an organization to serve different requirements, they may be compatible and may operate on the same types (or subsets of types) of documents.

Users may employ application programs that are customized to operate in cooperation with the VDE for handling of VDE-protected documents. Examples of this may include VDE-aware document viewers, VDE aware electronic mail systems, and similar applications. Those programs may communicate with the PPE 650 component of a user's electronic appliance 600 to make VDE-protected documents available for use while limiting the extent to which their contents may be copied, stored, viewed, modified, and/or transmitted and/or otherwise further distributed outside the specific electronic appliance.

Users may wish to employ commercial, off-the-shelf ("COTS") operating systems and application programs to process the VDE-protected documents. One approach to permit the use of COTS application programs and operating systems would be to allow such use only for documents without restrictions on redistribution. The standard VDE operating system redirector would allow users to access VDE-protected documents in a manner equivalent to that for files. In such an approach, however, a chain of control for metering and/or auditing use may

be "broken" to some extent at the point that the protected object was made available to the COTS application. The fingerprinting (watermarking) techniques of VDE may be used to facilitate further tracking of any released information.

A variety of techniques may be used to protect printing of protected documents, such as, for example: server-based decryption engines, special fonts for "fingerprinting," etc.

Another approach to supporting COTS software would use the VDE software running on the user's electronic appliance to create one or more "virtual machine" environments in which COTS operating system and application programs may run, but from which no information may be permanently stored or otherwise transmitted except under control of VDE. Such an environment would permit VDE to manage all VDE-protected information, yet may permit unlimited use of COTS applications to process that information within the confines of a restricted environment. The entire contents of such an environment could be treated by VDE 100 as an extension to any VDE-protected documents read into the environment. Transmission of information out of the environment could be governed by the same rules as the original document(s).

**"Coarse-Grain" Control Capabilities**

As mentioned above, an organization may employ VDE-enforced control capabilities to manage the security, distribution, integrity, and control of entire documents. Some examples of these capabilities may include:

- 1) A communication channel connecting two or more electronic appliances 600 may be assigned a set of permitted sensitivity attributes. Only documents whose sensitivity attributes belong to this set would be permitted to be transmitted over the channel. This could be used to support the Device Labels requirement of the Trusted Computer System Evaluation Criteria (TCSEC).
- 2) A writable storage device (e.g., fixed disk, diskette, tape drive, optical disk) connected to or incorporated in an electronic appliance 600 may be assigned a set of permitted sensitivity attributes. Only documents whose sensitivity attributes belong to this set would be permitted to be stored on the device. This could be used to support the TCSEC Device Labels requirement.



- 3) A document may have a list of users associated with it representing the users who are permitted to "handle" the document. This list of users may represent, for example, the only users who may view the document, even if other users receive the document container, they could not manipulate the contents. This could be used to support the standard ORCON handling caveat.
- 4) A document may have an attribute designating its originator and requiring an explicit permission to be granted by an originator before the document's content could be viewed. This request for permission may be made at the time the document is accessed by a user, or, for example, at the time one user distributes the document to another user. If permission is not granted, the document could not be manipulated or otherwise used.
- 5) A document may have an attribute requiring that each use of the document be reported to the document's originator. This may be used by an originator to gauge the distribution of the document. Optionally, the report may be required to have been made successfully before any use of the document is

permitted, to ensure that the use is known to the controlling party at the time of use. Alternatively, for example, the report could be made in a deferred ("batch") fashion.

- 6) A document may have an attribute requiring that each use of the document be reported to a central document tracking clearinghouse. This could be used by the organization to track specific documents, to identify documents used by any particular user and/or group of users to track documents with specific attributes (e.g., sensitivity), etc. Optionally, for example, the report may be required to have been made successfully before any use of the document is permitted.
- 7) A VDE protected document may have an attribute requiring that each use of the document generate a "return receipt," to an originator. A person using the document may be required to answer specific questions in order to generate a return receipt, for example by indicating why the document is of interest, or by indicating some knowledge of the document's contents (after reading it). This may be used as assurance that the document had been

handled by a person, not by any automated software mechanism.

- 8) A VDE protected document's content may be made available to a VDE-unaware application program in such a way that it is uniquely identifiable (traceable) to a user who caused its release. Thus, if the released form of the document is further distributed, its origin could be determined. This may be done by employing VDE "fingerprinting" for content release. Similarly, a printed VDE protected document may be marked in a similar, VDE fingerprinted unique way such that the person who originally printed the document could be determined, even if copies have since been made.
- 9) Usage of VDE protected documents could be permitted under control of budgets that limit (based on size, time of access, etc.) access or other usage of document content. This may help prevent wholesale disclosure by limiting the number of VDE documents accessible to an individual during a fixed time period. For example, one such control might permit a user, for some particular class of documents, to view at most 100 pages/day, but only print 10

pages/day and permit printing only on weekdays between nine and five. As a further example, a user might be restricted to only a certain quantity of logically related, relatively "contiguous" and/or some other pattern (such as limiting the use of a database's records based upon the quantity of records that share a certain identifier in field) of VDE protected document usage to identify, for example, the occurrence of one or more types of excessive database usage (under normal or any reasonable circumstances). As a result, VDE content providers can restrict usage of VDE content to acceptable usage characteristics and thwart and/or identify (for example, by generating an exception report for a VDE administrator or organization supervisor) user attempts to inappropriately use, for example, such an information database resource.

These control capabilities show some examples of how VDE can be used to provide a flexible, interactive environment for tracking and managing sensitive documents. Such an environment could directly trace the flow of a document from person to person, by physical locations, by organizations, etc. It would also permit specific questions to be answered such as "what persons outside the R&D department have received any

R&D-controlled document." Because the control information is carried with each copy of a VDE protected document, and can ensure that central registries are updated and/or that originators are notified of document use, tracking can be prompt and accurate.

This contrasts with traditional means of tracking paper documents: typically, a paper-oriented system of manually collected and handled receipts is used. Documents may be individually copy-numbered and signed for, but once distributed are not actively controlled. In a traditional paper-oriented system, it is virtually impossible to determine the real locations of documents; what control can be asserted is possible only if all parties strictly follow the handling rules (which are at best inconvenient).

The situation is no better for processing documents within the context of ordinary computer and network systems. Although said systems can enforce access control information based on user identity, and can provide auditing mechanisms for tracking accesses to files, these are low-level mechanisms that do not permit tracking or controlling the flow of content. In such systems, because document content can be freely copied and manipulated, it is not possible to determine where document content has gone, or where it came from. In addition, because the

control mechanisms in ordinary computer operating systems operate at a low level of abstraction, the entities they control are not necessarily the same as those that are manipulated by users. This particularly causes audit trails to be cluttered with voluminous information describing uninteresting activities.

### **Fine-Grain\* Control Capabilities**

In addition to controlling and managing entire documents, users may employ customized VDE-aware application software to control and manage individual modifications to documents.

Examples of these capabilities include the following:

- 1) A VDE content user may be permitted to append further information to a VDE document to indicate a proposed alternative wording. This proposed alteration would be visible to all other users (in addition to the original text) of the document but would (for example) be able to be incorporated into the actual text only by the document's owner.
- 2) A group of VDE users could be permitted to modify one or more parts of a document in such a way that each individual alteration would be unambiguously traceable to the specific user who performed it. The rights to modify certain portions of a document, and

the extension of differing sets of rights to different users, allows an organization or secure environment to provide differing permissions enabling different rights to users of the same content.

- 3) A group of users could create a VDE document incrementally, by building it from individual contributions. These contributions would be bound together within a single controlled document, but each would be individually identified, for example, through their incorporation in VDE content containers as embedded container objects.
- 4) VDE control and management capabilities could be used to track activities related to individual document areas, for instance recording how many times each section of a document was viewed.

#### **Example - VDE Protected Content Repository**

As the "Digital Highway" emerges, there is increased discussion concerning the distribution of content across networks and, in particular, public networks such as the Internet. Content may be made available across public networks in several ways including:

- "mailing" content to a user in response to a request or advance purchase (sending a token representing the commitment of electronic funds or credit to purchase an item);
- supporting content downloadable from an organization's own content repository, such a repository comprising, for example, a store of products (such as software programs) and/or a store of information resources, normally organized into one or more databases; and
- supporting a public repository into which other parties can deposit their products for redistribution to customers (normally by making electronic copies for distribution to a customer in response to a request).

One possible arrangement of VDE nodes involves use of one or more "repositories." A repository, for example, may serve as a location from which VDE participants may retrieve VDE content containers. In this case, VDE users may make use of a network to gain access to a "server" system that allows one or more VDE users to access an object repository containing VDE content containers.



Some VDE participants may create or provide content and/or VDE content container objects, and then store content and/or content objects at a repository so that other participants may access such content from a known and/or efficiently organized (for retrieval) location. For example, a VDE repository (portion of a VDE repository, multiple VDE repositories, and/or providers of content to such repositories) may advertise the availability of certain types of VDE protected content by sending out email to a list of network users. If the network users have secure VDE subsystems in their electronic appliances, they may then choose to access such a repository directly, or through one or more smart agents and, using an application program for example, browse (and/or electronically search) through the offerings of VDE managed content available at the repository, download desirable VDE content containers, and make use of such containers. If the repository is successful in attracting users who have an interest in such content, VDE content providers may determine that such a repository is a desirable location(s) to make their content available for easy access by users. If a repository, such as CompuServe, stores content in non-encrypted (plaintext) form, it may encrypt "outgoing" content on an "as needed" basis through placing such content in VDE content containers with desired control information, and may employ VDE secure communications techniques for content communication to VDE participants.

VDE repositories may also offer other VDE services. For example, a repository may choose to offer financial services in the form of credit from the repository that may be used to pay fees associated with use of VDE objects obtained from the repository. Alternatively or in addition, a VDE repository may perform audit information clearinghouse services on behalf of VDE creators or other participants (e.g. distributors, redistributors, client administrators, etc.) for usage information reported by VDE users. Such services may include analyzing such usage information, creating reports, collecting payments, etc.

A "full service" VDE repository may be very attractive to both providers and users of VDE managed content. Providers of VDE managed content may desire to place their content in a location that is well known to users, offers credit, and/or performs audit services for them. In this case, providers may be able to focus on creating content, rather than managing the administrative processes associated with making content available in a "retail" fashion, collecting audit information from many VDE users, sending and receiving bills and payments, etc. VDE users may find the convenience of a single location (or an integrated arrangement of repositories) appealing as they are attempting to locate content of interest. In addition, a full service VDE repository may serve as a single location for the reporting of usage information generated as a consequence of their use of

VDE managed content received from a VDE repository and/or, for example, receiving updated software (e.g. VDE-aware applications, load modules, component assemblies, non VDE-aware applications, etc.) VDE repository services may be employed in conjunction with VDE content delivery by broadcast and/or on physical media, such as CD-ROM, to constitute an integrated array of content resources that may be browsed, searched, and/or filtered, as appropriate, to fulfill the content needs of VDE users.

A public repository system may be established and maintained as a non-profit or for-profit service. An organization offering the service may charge a service fee, for example, on a per transaction basis and/or as a percentage of the payments by, and/or cost of, the content to users. A repository service may supply VDE authoring tools to content creators, publishers, distributors, and/or value adding providers such that they may apply rules and controls that define some or all of the guidelines managing use of their content and so that they may place such content into VDE content container objects.

A repository may be maintained at one location or may be distributed across a variety of electronic appliances, such as a variety of servers (e.g. video servers, etc.) which may be at different locations but nonetheless constitute a single resource. A

VDE repository arrangement may employ VDE secure communications and VDE node secure subsystems ("protected processing environments"). The content comprising a given collection or unit of information desired by a user may be spread across a variety of physical locations. For example, content representing a company's closing stock price and the activity (bids, lows, highs, etc.) for the stock might be located at a World Wide Web server in New York, and content representing an analysis of the company (such as a discussions of the company's history, personnel, products, markets, and/or competitors) might be located on a server in Dallas. The content might be stored using VDE mechanisms to secure and audit use. The content might be maintained in clear form if sufficient other forms of security are available at such one or more of sites (e.g. physical security, password, protected operating system, data encryption, or other techniques adequate for a certain content type). In the latter instances, content may be at least in part encrypted and placed in VDE containers as it streams out of a repository so as to enable secure communication and subsequent VDE usage control and usage consequence management.

A user might request information related to such a company including stock and other information. This request might, for example, be routed first through a directory or a more sophisticated database arrangement located in Boston. This

arrangement might contain pointers to, and retrieve content from, both the New York and Dallas repositories. This information content may, for example, be routed directly to the user in two containers (e.g. such as a VDE content container object from Dallas and a VDE content container object from New York). These two containers may form two VDE objects within a single VDE container (which may contain two content objects containing the respective pieces of content from Dallas and New York) when processed by the user's electronic appliance. Alternatively, such objects might be integrated together to form a single VDE container in Boston so that the information can be delivered to the user within a single container to simplify registration and control at the user's site. The information content from both locations may be stored as separate information objects or they may be joined into a single, integrated information object (certain fields and/or categories in an information form or template may be filled in by one resource and other fields and/or categories may be filled by information provided by a different resource). A distributed database may manage such a distributed repository resource environment and use VDE to secure the storing, communicating, auditing, and/or use of information through VDE's electronic enforcement of VDE controls. VDE may then be used to provide both consistent content containers and content control services.

An example of one possible repository arrangement 3300 is shown in Figure 78. In this example, a repository 3302 is connected to a network 3304 that allows authors 3306A, 3306B, 3306C, and 3306D; a publisher 3308; and one or more end users 3310 to communicate with the repository 3302 and with each other. A second network 3312 allows the publisher 3308, authors 3306E and 3306F, an editor 3314, and a librarian 3316 to communicate with each other and with a local repository 3318. The publisher 3308 is also directly connected to author 3306E. In this example, the authors 3306 and publisher 3308 connect to the repository 3302 in order to place their content into an environment in which end users 3310 will be able to gain access to a broad selection of content from a common location.

In this example, the repository has two major functional areas: a content system 3302A and a clearinghouse system 3302B. The content system 3302A is comprised of a user/author registration system 3320, a content catalog 3322, a search mechanism 3324, content storage 3326, content references 3328, and a shipping system 3330 comprised of a controls packager 3322, a container packager 3334, and a transaction system 3336. The clearinghouse system 3302B is comprised of a user/author registration system 3338; template libraries 3340; a control structure library 3342; a disbursement system 3344; an authorization system 3346 comprised of a financial system 3348

and a content system 3350; a billing system 3352 comprised of a paper system 3354, a credit card system 3356, and an electronic funds transfer (EFT) system 3358; and an audit system 3360 comprised of a receipt system 3362, a response system 3364, a transaction system 3366, and an analysis system 3368.

In this example, author 3306A creates content in electronic form that she intends to make broadly available to many end users 3310, and to protect her rights through use of VDE. Author 3306A transmits a message to the repository 3302 indicating her desire to register with the repository to distribute her content. In response to this message, the user/author registration system 3320 of the content system 3302A, and the user/author registration system 3338 of the clearinghouse system 3302B transmit requests for registration information to author 3306A using the network 3304. These requests may be made in an on-line interactive mode; or they may be transmitted in a batch to author 3306A who then completes the requested information and transmits it as a batch to the repository 3302; or some aspects may be handled on-line (such as basic identifying information) and other information may be exchanged in a batch mode.

Registration information related to the content system 3302A may, for example, include:

- a request that Author 3306A provide information concerning the types and/or categories of content proposed for storage and access using the repository,
- the form of abstract and/or other identifying information required by the repository—in addition to providing author 3306A with an opportunity to indicate whether or not author 3306A generally includes other information with content submissions (such as promotional materials, detailed information regarding the format of submitted content, any equipment requirements that should or must be met for potential users of submitted content to successfully exploit its value, etc.),
- requests for information from author 3306A concerning where the content is to be located (stored at the repository, stored at author 3306A's location, stored elsewhere, or some combination of locations),
- what general search characteristics should be associated with content submissions (e.g. whether abstracts should be automatically indexed for searches by users of the repository, the manner in which content titles, abstracts, promotional



materials, relevant dates, names of performers and/or authors, or other information related to content submissions may or should be used in lists of types of content and/or in response to searches, etc.), and/or

- how content that is stored at and/or passed through the repository should be shipped (including any container criteria, encryption requirements, transaction requirements related to content transmissions, other control criteria, etc.)

The information requested from author 3306A by the user/author registration system of the clearinghouse may, for example, consist of:

- VDE templates that author 3306A may or must make use of in order to correctly format control information such that, for example, the audit system 3360 of the clearinghouse system 3302B is properly authorized to receive and/or process usage information related to content submitted by author 3306A,
- VDE control information available from the clearinghouse 3302B that may or must be used by

author 3306A (and/or included by reference) in some or all of the VDE component assemblies created and/or used by author 3306A associated with submitted content,

- the manner in which disbursement of any funds associated with usage of content provided by, passed through, or collected by the repository clearinghouse system 3302B should be made,
- the form and/or criteria of authorizations to use submitted content and/or financial transactions associated with content,
- the acceptable forms of billing for use of content and/or information associated with content (such as analysis reports that may be used by others),
- how VDE generated audit information should be received,
- how responses to requests from users should be managed,

- how transactions associated with the receipt of audit information should be formatted and authorized,
- how and what forms of analysis should be performed on usage information, and/or
- under what circumstances (if any) usage information and/or analysis results derived from VDE controlled content usage information should be managed (including to whom they may or must be delivered, the form of delivery, any control information that may be associated with use of such information, etc.)

The repository 3302 receives the completed registration information from author 3306A and uses this information to build an account profile for author 3306A. In addition, software associated with the authoring process may be transmitted to author 3306A. This software may, for example, allow author 3306A to place content into a VDE content container with appropriate controls in such a way that many of the decisions associated with creating such containers are made automatically to reflect the use of the repository 3302 as a content system and/or a clearinghouse system (for example, the location of content, the party to contact for updates to content and/or controls associated with content, the party or parties to whom

audit information may and/or must be transmitted and the pathways for such communication, the character of audit information that is collected during usage, the forms of payment that are acceptable for use of content, the frequency of audit transmissions required, the frequency of billing, the form of abstract and/or other identifying information associated with content, the nature of at least a portion of content usage control information, etc.)

Author 3306A makes use of a VDE authoring application to specify the controls and the content that she desires to place within a VDE content container, and produces such a container in accordance with any requirements of the repository 3302. Such a VDE authoring application may be, for example, an application provided by the repository 3302 which can help ensure adherence to repository content control requirements such as the inclusion of one or more types of component assemblies or other VDE control structures and/or required parameter data, an application received from another party, and/or an application created by author 3306A in whole or in part. Author 3306A then uses the network 3304 to transmit the container and any deviations from author 3306A's account profile that may relate to such content to the repository 3302. The repository 3302 receives the submitted content, and then -- in accordance with any account profile requirements, deviations and/or desired options in

this example—makes a determination as to whether the content was produced within the boundaries of any content and/or control information requirements of the repository and therefore should be placed within content storage or referenced by a location pointer or the like. In addition to placing the submitted content into content storage or referencing such content's location, the repository 3302 may also make note of characteristics associated with such submitted content in the search mechanism 3324, content references 3328, the shipping system 3330, and/or the relevant systems of the clearinghouse system 3302B related to templates and control structures, authorizations, billing and/or payments, disbursements, and/or audits of usage information.

During an authoring process, author 3306A may make use of VDE templates. Such templates may be used as an aspect of a VDE authoring application. For example, such templates may be used in the construction of a container as described above. Alternatively or in addition, such templates may also be used when submitted content is received by the repository 3302. References to such templates may be incorporated by author 3306A as an aspect of constructing a container for submitted content (in this sense the container delivered to the repository may be in some respects "incomplete" until the repository "completes" the container through use of indicated templates). Such references may be required for use by the repository 3302

(for example, to place VDE control information in place to fulfill an aspect of the repository's business or security models such as one or more map tables corresponding to elements of content necessary for interacting with other VDE control structures to accommodate certain metering, billing, budgeting, and/or other usage and/or distribution related controls of the repository).

For example, if content submitted by author 3306A consists of a periodical publication, a template delivered to the author by the repository 3302 when the author registers at the repository may be used as an aspect of an authoring application manipulated by the author in creating a VDE content container for such a periodical. Alternatively or in addition, a template designed for use with periodical publications may be resident at the repository 3302, and such a template may be used by the repository to define, in whole or in part, control structures associated with such a container. For example, a VDE template designed to assist in formulating control structures for periodical publications might indicate (among other things) that:

- usage controls should include a meter method that records each article within a publication that a user opens,

- a certain flat rate fee should apply to opening the periodical regardless of the number of articles opened, and/or
- a record should be maintained of every advertisement that is viewed by a user.

If content is maintained in a known and/or identifiable format, such a template may be used during initial construction of a container without author 3306A's intervention to identify any map tables that may be required to support such recording and billing actions. If such a VDE template is unavailable to author 3306A, she may choose to indicate that the container submitted should be reconstructed (e.g. augmented) by the repository to include the VDE control information specified in a certain template or class of templates. If the format of the content is known and/or identifiable by the repository, the repository may be able to reconstruct (or "complete") such a container automatically.

One factor in a potentially ongoing financial relationship between the repository and author 3306A may relate to usage of submitted content by end users 3310. For example, author 3306A may negotiate an arrangement with the repository wherein the repository is authorized to keep 20% of the total revenues generated from end users 3310 in exchange for

maintaining the repository services (e.g. making content available to end users 3310, providing electronic credit, performing billing activities, collecting fees, etc.) A financial relationship may be recorded in control structures in flexible and configurable ways. For example, the financial relationship described above could be created in a VDE container and/or installation control structure devised by author 3306A to reflect author 3306A's financial requirements and the need for a 20% split in revenue with the repository wherein all billing activities related to usage of submitted content could be processed by the repository, and control structures representing reciprocal methods associated with various component assemblies required for use of author 3306A's submitted content could be used to calculate the 20% of revenues. Alternatively, the repository may independently and securely add and/or modify control structures originating from author 3306A in order to reflect an increase in price. Under some circumstances, author 3306A may not be directly involved (or have any knowledge of) the actual price that the repository charges for usage activities, and may concern herself only with the amount of revenue and character of usage analysis information that she requires for her own purposes, which she specifies in VDE control information which governs the use, and consequences of use, of VDE controlled content.



Another aspect of the relationship between authors and the repository may involve the character of transaction recording requirements associated with delivery of VDE controlled content and receipt of VDE controlled content usage audit information. For example, author 3306A may require that the repository make a record of each user that receives a copy of content from the repository. Author 3306A may further require collection of information regarding the circumstances of delivery of content to such users (e.g. time, date, etc.) In addition, the repository may elect to perform such transactions for use internally (e.g. to determine patterns of usage to optimize systems, detect fraud, etc.)

In addition to recording information regarding delivery of such VDE controlled content, author 3306A may have required or requested the repository to perform certain VDE container related processes. For example, author 3306A may want differing abstract and/or other descriptive information delivered to different classes of users. In addition, author 3306A may wish to deliver promotional materials in the same container as submitted content depending on, for example, the character of usage exhibited by a particular user (e.g. whether the user has ever received content from author 3306A, whether the user is a regular subscriber to author 3306A's materials, and/or other patterns that may be relevant to author 3306A and/or the end

user that are used to help determine the mix of promotional materials delivered to a certain VDE content end user.) In another example, author 3306A may require that VDE fingerprinting be performed on such content prior to transmission of content to an end user.

In addition to the form and/or character of content shipped to an end user, authors may also require certain encryption related processes to be performed by the repository as an aspect of delivering content. For example, author 3306A may have required that the repository encrypt each copy of shipped content using a different encryption key or keys in order to help maintain greater protection for content (e.g. in case an encryption key was "cracked" or inadvertently disclosed, the "damage" could be limited to the portion(s) of that specific copy of a certain content deliverable). In another example, encryption functions may include the need to use entirely different encryption algorithms and/or techniques in order to fulfill circumstantial requirements (e.g. to comply with export restrictions). In a further example, encryption related processes may include changing the encryption techniques and/or algorithms based on the level of trustedness and/or tamper resistance of the VDE site to which content is delivered.

In addition to transaction information gathered when content is shipped from a VDE repository to an end user, the repository may be required to keep transaction information related to the receipt of usage information, requests, and/or responses to and/or from end users 3310. For example, author 3306A may require the repository to keep a log of some or all connections made by end users 3310 related to transmissions and or reception of information related to the use of author 3306A's content (e.g. end user reporting of audit information, end user requests for additional permissions information, etc.)

Some VDE managed content provided to end users 3310 through the repository may be stored in content storage. Other information may be stored elsewhere, and be referenced through the content references. In the case where content references are used, the repository may manage the user interactions in such a manner that all repository content, whether stored in content storage or elsewhere (such as at another site), is presented for selection by end users 3310 in a uniform way, such as, for example, a consistent or the same user interface. If an end user requests delivery of content that is not stored in content storage, the VDE repository may locate the actual storage site for the content using information stored in content references (e.g. the network address where the content may be located, a URL, a filesystem reference, etc.) After the content is located, the

content may be transmitted across the network to the repository or it may be delivered directly from where it is stored to the requesting end user. In some circumstances (e.g. when container modification is required, when encryption must be changed, if financial transactions are required prior to release, etc.), further processing may be required by the repository in order to prepare such VDE managed content and/or VDE content container for transmission to an end user.

In order to provide a manageable user interface to the content available to VDE repository end users 3310 and to provide administrative information used in the determination of control information packaged in VDE content containers shipped to end users 3310, the repository in this example includes a content catalog 3322. This catalog is used to record information related to the VDE content in content storage, and/or content available through the repository reflected in content references. The content catalog 3322 may consist of titles of content, abstracts, and other identifying information. In addition, the catalog may also indicate the forms of electronic agreement and/or agreement VDE template applications (offering optional, selectable control structures and/or one or more opportunities to provide related parameter data) that are available to end users 3310 through the repository for given pieces of content in deciding, for example, options and/or requirements for: what

type(s) of information is recorded during such content's use, the charge for certain content usage activities, differences in charges based on whether or not certain usage information is recorded and/or made available to the repository and/or content provider, the redistribution rights associated with such content, the reporting frequency for audit transmissions, the forms of credit and/or currency that may be used to pay certain fees associated with use of such content, discounts related to certain volumes of usage, discounts available due to the presence of rights associated with other content from the same and/or different content providers, sales, etc. Furthermore, a VDE repository content catalog 3322 may indicate some or all of the component assemblies that are required in order to make use of content such that the end user's system and the repository can exchange messages to help ensure that any necessary VDE component assemblies or other VDE control information is identified, and if necessary and authorized, are delivered along with such content to the end user (rather than, for example, being requested later after their absence has been detected during a registration and/or use attempt).

In order to make use of the VDE repository in this example, an end user must register with the repository. In a manner similar to that indicated above in the case of an author, a VDE end user transmits a message from her VDE installation to

the repository across the network indicating that she wishes to make use of the services provided by the repository (e.g. access content stored at and/or referenced by the repository, use credit provided by the repository, etc.) In response to this message, the user/author registration systems of the content system 3302A and the clearinghouse system 3302B of the repository transmit requests for information from the end user (e.g. in an on-line and/or batch interaction). The information requested by the user/author registration system of the content system 3302A may include type(s) of content that the user wishes to access, the characteristics of the user's electronic appliance 600, etc. The information requested by the user/author registration system of the clearinghouse system 3302B may include whether the user wishes to establish a credit account with the clearinghouse system 3302B, what other forms of credit the user may wish to use for billing purposes, what other clearinghouses may be used by the end user in the course of interacting with content obtained from the repository, any general rules that the user has established regarding their preferences for release and handling of usage analysis information, etc. Once the end user has completed the registration information and transmitted it to the repository, the repository may construct an account profile for the user. In this example, such requests and responses are handled by secure VDE communications between secure VDE subsystems of both sending and receiving parties.

In order to make use of the repository, the end user may operate application software. In this example, the end user may either make use of a standard application program (e.g. a World Wide Web browser such as Mosaic), or they may make use of application software provided by the repository after completion of the registration process. If the end user chooses to make use of the application software provided by the repository, they may be able to avoid certain complexities of interaction that may occur if a standard package is used. Although standardized packages are often relatively easy to use, a customized package that incorporates VDE aware functionality may provide an easier to use interface for a user. In addition, certain characteristics of the repository may be built in to the interface to simplify use of the services (e.g. similar to the application programs provided by America Online).

The end user may connect to the repository using the network. In this example, after the user connects to the repository, an authentication process will occur. This process can either be directed by the user (e.g. through use of a login and password protocol) or may be established by the end user's electronic appliance secure subsystems interacting with a repository electronic appliance in a VDE authentication. In either event, the repository and the user must initially ensure that they are connected to the correct other party. In this

example, if secured information will flow between the parties, a VDE secured authentication must occur, and a secure session must be established. On the other hand, if the information to be exchanged has already been secured and/or is available without authentication (e.g. certain catalog information, containers that have already been encrypted and do not require special handling, etc.), the "weaker" form of login/password may be used.

Once an end user has connected to the VDE repository and authentication has occurred, the user may begin manipulating and directing their user interface software to browse through a repository content catalog 3322 (e.g. lists of publications, software, games, movies, etc.), use the search mechanism to help locate content of interest, schedule content for delivery, make inquiries of account status, availability of usage analysis information, billing information, registration and account profile information, etc. If a user is connecting to obtain content, the usage requirements for that content may be delivered to them. If the user is connecting to deliver usage information to the repository, information related to that transmission may be delivered to them. Some of these processes are described in more detail below.

In this example, when an end user requests content from the VDE repository (e.g. by selecting from a menu of available



options), the content system 3302A locates the content either in the content references and/or in content storage. The content system 3302A may then refer to information stored in the content catalog 3322, the end user's account profile, and/or the author's account profile to determine the precise nature of container format and/or control information that may be required to create a VDE content container to fulfill the end user's request. The shipping system then accesses the clearinghouse system 3302B to gather any necessary additional control structures to include with the container, to determine any characteristics of the author's and/or end user's account profiles that may influence either the transaction(s) associated with delivering the content to the end user or with whether the transaction may be processed. If the transaction is authorized, and all elements necessary for the container are available, the controls packager forms a package of control information appropriate for this request by this end user, and the container packager takes this package of control information and the content and forms an appropriate container (including any permissions that may be codeliverable with the container, incorporating any encryption requirements, etc.) If required by the repository or the author's account profile, transactions related to delivery of content are recorded by the transaction system of the shipping system. When the container and any transactions related to delivery have been completed, the container is transmitted across the network to the end user.

An end user may make use of credit and/or currency securely stored within the end user's VDE installation secure subsystem to pay for charges related to use of VDE content received from the repository, and/or the user may maintain a secure credit and/or currency account remotely at the repository, including a "virtual" repository where payment is made for the receipt of such content by an end user. This later approach may provide greater assurance for payment to the repository and/or content providers particularly if the end user has only an HPE based secure subsystem. If an end user electronic credit and/or currency account is maintained at the repository in this example, charges are made to said account based on end user receipt of content from the repository. Further charges to such a remote end user account may be made based on end user usage of such received content and based upon content usage information communicated to the repository clearinghouse system 3302B.

In this example, if an end user does not have a relationship established with a financial provider (who has authorized the content providers whose content may be obtained through use of the repository to make use of their currency and/or credit to pay for any usage fees associated with such provider's content) and/or if an end user desires a new source of such credit, the end user may request credit from the repository clearinghouse system 3302B. If an end user is approved for credit, the repository may

extend credit in the form of credit amounts (e.g. recorded in one or more UDEs) associated with a budget method managed by the repository. Periodically, usage information associated with such a budget method is transmitted by the end user to the audit system of the repository. After such a transmission (but potentially before the connection is terminated), an amount owing is recorded for processing by the billing system, and in accordance with the repository's business practices, the amount of credit available for use by the end user may be replenished in the same or subsequent transmission. In this example, the clearinghouse of the repository supports a billing system with a paper system for resolving amounts owed through the mail, a credit card system for resolving amounts owed through charges to one or more credit cards, and an electronic funds transfer system for resolving such amounts through direct debits to a bank account. The repository may automatically make payments determined by the disbursement system for monies owed to authors through use of similar means. Additional detail regarding the audit process is provided below.

As indicated above, end users 3310 in this example will periodically contact the VDE repository to transmit content usage information (e.g. related to consumption of budget, recording of other usage activities, etc.), replenish their budgets, modify their account profile, access usage analysis information, and perform

other administrative and information exchange activities. In some cases, an end user may wish to contact the repository to obtain additional control structures. For example, if an end user has requested and obtained a VDE content container from the repository, that container is typically shipped to the end user along with control structures appropriate to the content, the author's requirements and account profile, the end user's account profile, the content catalog 3322, and/or the circumstances of the delivery (e.g. the first delivery from a particular author, a subscription, a marketing promotion, presence and/or absence of certain advertising materials, requests formulated on behalf of the user by the user's local VDE instance, etc.) Even though, in this example, the repository may have attempted to deliver all relevant control structures, some containers may include controls structures that allow for options that the end user did not anticipate exercising (and the other criteria did not automatically select for inclusion in the container) that the end user nonetheless determines that they would like to exercise. In this case, the end user may wish to contact the repository and request any additional control information (including, for example, control structures) that they will need in order to make use of the content under such option.

For example, if an end user has obtained a VDE content container with an overall control structure that includes an

option that records of the number of times that certain types of accesses are made to the container and further bases usage fees on the number of such accesses, and another option within the overall control structure allows the end user to base the fees paid for access to a particular container based on the length of time spent using the content of the container, and the end user did not originally receive controls that would support this latter form of usage, the repository may deliver such controls at a later time and when requested by the user. In another example, an author may have made changes to their control structures (e.g. to reflect a sale, a new discounting model, a modified business strategy, etc.) which a user may or must receive in order to use the content container with the changed control structures. For example, one or more control structures associated with a certain VDE content container may require a "refresh" for continued authorization to employ such structures, or the control structures may expire. This allows (if desired) a VDE content provider to periodically modify and/or add to VDE control information at an end user's site (employing the local VDE secure subsystem).

Audit information (related to usage of content received from the repository) in this example is securely received from end users 3310 by the receipt system 3362 of the clearinghouse. As indicated above, this system may process the audit information and pass some or all of the output of such a process to the billing

system and/or transmit such output to appropriate content authors. Such passing of audit information employs secure VDE pathway of reporting information handling techniques. Audit information may also be passed to the analysis system in order to produce analysis results related to end user content usage for use by the end user, the repository, third party market researchers, and/or one or more authors. Analysis results may be based on a single audit transmission, a portion of an audit transmission, a collection of audit transmissions from a single end user and/or multiple end users 3310, or some combination of audit transmissions based on the subject of analysis (e.g. usage patterns for a given content element or collection of elements, usage of certain categories of content, payment histories, demographic usage patterns, etc.) The response system 3364 is used to send information to the end user to, for example, replenish a budget, deliver usage controls, update permissions information, and to transmit certain other information and/or messages requested and/or required by an end user in the course of their interaction with the clearinghouse. During the course of an end user's connections and transmissions to and from the clearinghouse, certain transactions (e.g. time, date, and/or purpose of a connection and/or transmission) may be recorded by the transaction system of the audit system to reflect requirements of the repository and/or authors.

Certain audit information may be transmitted to authors. For example, author 3306A may require that certain information gathered from an end user be transmitted to author 3306A with no processing by the audit system. In this case, the fact of the transmission may be recorded by the audit system, but author 3306A may have elected to perform their own usage analysis rather than (or in addition to) permitting the repository to access, otherwise process and/or otherwise use this information. The repository in this example may provide author 3306A with some of the usage information related to the repository's budget method received from one or more end users 3310 and generated by the payment of fees associated with such users' usage of content provided by author 3306A. In this case, author 3306A may be able to compare certain usage information related to content with the usage information related to the repository's budget method for the content to analyze patterns of usage (e.g. to analyze usage in light of fees, detect possible fraud, generate user profile information, etc.) Any usage fees collected by the clearinghouse associated with author 3306A's content that are due to author 3306A will be determined by the disbursement system of the clearinghouse. The disbursement system may include usage information (in complete or summary form) with any payments to author 3306A resulting from such a determination. Such payments and information reporting may be an entirely automated sequence of processes occurring within

the VDE pathway from end user VDE secure subsystems, to the clearinghouse secure subsystem, to the author's secure subsystem.

In this example, end users 3310 may transmit VDE permissions and/or other control information to the repository 3302 permitting and/or denying access to usage information collected by the audit system for use by the analysis system. This, in part, may help ensure end user's privacy rights as it relates to the usage of such information. Some containers may require, as an aspect of their control structures, that an end user make usage information available for analysis purposes. Other containers may give an end user the option of either allowing the usage information to be used for analysis, or denying some or all such uses of such information. Some users may elect to allow analysis of certain information, and deny this permission for other information. End users 3310 in this example may, for example, elect to limit the granularity of information that may be used for analysis purposes (e.g. an end user may allow analysis of the number of movies viewed in a time period but disallow use of specific titles, an end user may allow release of their ZIP code for demographic analysis, but disallow use of their name and address, etc.) Authors and/or the repository 3302 may, for example, choose to charge end users 3310 smaller fees if they agree to release certain usage information for analysis purposes.



In this example, the repository 3302 may receive content produced by more than one author. For example, author B, author C, and author D may each create portions of content that will be delivered to end users 3310 in a single container. For example, author B may produce a reference work. Author C may produce a commentary on author B's reference work, and author D may produce a set of illustrations for author B's reference work and author C's commentary. Author B may collect together author C's and author D's content and add further content (e.g. the reference work described above) and include such content in a single container which is then transmitted to the repository 3302. Alternatively, each of the authors may transmit their works to the repository 3302 independently, with an indication that a template should be used to combine their respective works prior to shipping a container to an end user. Still alternatively, a container reflecting the overall content structure may be transmitted to the repository 3302 and some or all of the content may be referenced in the content references rather than delivered to the repository 3302 for storage in content storage.

When an end user makes use of container content, their content usage information may, for example, be segregated in accordance with control structures that organize usage information based at least in part on the author who created that segment. Alternatively, the authors and/or the VDE repository

3302 may negotiate one or more other techniques for securely dividing and/or sharing usage information in accordance with VDE control information. Furthermore, control structures associated with a container may implement models that differentiate any usage fees associated with portions of content based on usage of particular portions, overall usage of the container, particular patterns of usage, or other mechanism negotiated (or otherwise agreed to) by the authors. Reports of usage information, analysis results, disbursements, and other clearinghouse processes may also be generated in a manner that reflects agreements reached by repository 3302 participants (authors, end users 3310 and/or the repository 3302) with respect to such processes. These agreements may be the result of a VDE control information negotiation amongst these participants.

In this example, one type of author is a publisher 3308. The publisher 3308 in this example communicates over an "internal" network with a VDE based local repository 3302 and over the network described above with the public repository 3302. The publisher 3308 may create or otherwise provide content and/or VDE control structure templates that are delivered to the local repository 3302 for use by other participants who have access to the "internal" network. These templates may be used to describe the structure of containers, and may further describe whom in the publisher 3308's organization may take which

actions with respect to the content created within the organization related to publication for delivery to (and/or referencing by) the repository 3302. For example, the publisher 3308 may decide (and control by use of said temple) that a periodical publication will have a certain format with respect to the structure of its content and the types of information that may be included (e.g. text, graphics, multimedia presentations, advertisements, etc.), the relative location and/or order of presentation of its content, the length of certain segments, etc. Furthermore, the publisher 3308 may, for example, determine (through distribution of appropriate permissions) that the publication editor is the only party that may grant permissions to write into the container, and that the organization librarian is the only party that may index and/or abstract the content. In addition, the publisher 3308 may, for example, allow only certain one or more parties to finalize a container for delivery to the repository 3302 in usable form (e.g. by maintaining control over the type of permissions, including distribution permissions, that may be required by the repository 3302 to perform subsequent distribution activities related to repository end users 3310).

In this example, author 3306E is connected directly to the publisher 3308, such that the publisher 3308 can provide templates for that author that establish the character of containers for author 3306E's content. For example, if author

3306E creates books for distribution by the publisher 3308, the publisher 3308 may define the VDE control structure template which provides control method options for author 3306E to select from and which provides VDE control structures for securely distributing author 3306E's works. Author 3306E and the publisher 3308 may employ VDE negotiations for the template characteristics, specific control structures, and/or parameter data used by author 3306E. Author 3306E may then use the template(s) to create control structures for their content containers. The publisher 3308 may then deliver these works to the repository 3302 under a VDE extended agreement comprising electronic agreements between author 3306E and the publisher 3308 and the repository 3302 and the publisher 3308.

In this example, the publisher 3308 may also make author 3306E's work available on the local repository 3302. The editor may authorize (e.g. through distribution of appropriate permissions) author F to create certain portions of content for a publication. In this example, the editor may review and/or modify author F's work and further include it in a container with content provided by author 3306E (available on the local repository 3302). The editor may or may not have permissions from the publisher 3308 to modify author 3306E's content (depending on any negotiation(s) that may have occurred between the publisher 3308 and author 3306E, and the publisher

3308's decision to extend such rights to the editor if permissions to modify author 3306E's content are held in redistributable form by the publisher 3308). The editor may also include content from other authors by (a) using a process of granting permissions to authors to write directly into the containers and/or (b) retrieving containers from the local repository 3302 for inclusion. The local repository 3302 may also be used for other material used by the publisher 3308's organization (e.g. databases, other reference works, internal documents, draft works for review, training videos, etc.), such material may, given appropriate permissions, be employed in VDE container collections of content created by the editor.

The librarian in this example has responsibility for building and/or editing inverted indexes, keyword lists (e.g. from a restricted vocabulary), abstracts of content, revision histories, etc. The publisher 3308 may, for example, grant permissions to only the librarian for creating this type of content. The publisher 3308 may further require that this building and/or editing occur prior to release of content to the repository 3302.

### **Example -- Evolution and Transformation of VDE Managed Content and Control Information**

The VDE content control architecture allows content control information (such as control information for governing content usage) to be shaped to conform to VDE control information requirements of multiple parties. Formulating such multiple party content control information normally involves securely deriving control information from control information securely contributed by parties who play a role in a content handling and control model (e.g. content creator(s), provider(s), user(s), clearinghouse(s), etc.). Multiple party control information may be necessary in order to combine multiple pieces of independently managed VDE content into a single VDE container object (particularly if such independently managed content pieces have differing, for example conflicting, content control information). Such secure combination of VDE managed pieces of content will frequently require VDE's ability to securely derive content control information which accommodates the control information requirements, including any combinatorial rules, of the respective VDE managed pieces of content and reflects an acceptable agreement between such plural control information sets.

The combination of VDE managed content pieces may result in a VDE managed composite of content. Combining VDE

managed content must be carried out in accordance with relevant content control information associated with said content pieces and processed through the use of one or more secure VDE sub-system PPEs 650. VDE's ability to support the embedding, or otherwise combining, of VDE managed content pieces, so as to create a combination product comprised of various pieces of VDE content, enables VDE content providers to optimize their VDE electronic content products. The combining of VDE managed content pieces may result in a VDE content container which "holds" consolidated content and/or concomitant, separate, nested VDE content containers.

VDE's support for creation of content containers holding distinct pieces of VDE content portions that were previously managed separately allows VDE content providers to develop products whose content control information reflects value propositions consistent with the objectives of the providers of content pieces, and further are consistent with the objectives of a content aggregator who may be producing a certain content combination as a product for commercial distribution. For example, a content product "launched" by a certain content provider into a commercial channel (such as a network repository) may be incorporated by different content providers and/or end-users into VDE content containers (so long as such incorporation is allowed by the launched product's content

control information). These different content providers and/or end-users may, for example, submit differing control information for regulating use of such content. They may also combine in different combinations a certain portion of launched content with content received from other parties (and/or produced by themselves) to produce different content collections, given appropriate authorizations.

VDE thus enables copies of a given piece of VDE managed content to be securely combined into differing consolidations of content, each of which reflects a product strategy of a different VDE content aggregator. VDE's content aggregation capability will result in a wider range of competitive electronic content products which offer differing overall collections of content and may employ differing content control information for content that may be common to such multiple products. Importantly, VDE securely and flexibly supports editing the content in, extracting content from, embedding content into, and otherwise shaping the content composition of, VDE content containers. Such capabilities allow VDE supported product models to evolve by progressively reflecting the requirements of "next" participants in an electronic commercial model. As a result, a given piece of VDE managed content, as it moves through pathways of handling and branching, can participate in many different content container and content control information commercial models.



VDE content, and the electronic agreements associated with said content, can be employed and progressively manipulated in commercial ways which reflect traditional business practices for non-electronic products (though VDE supports greater flexibility and efficiency compared with most of such traditional models). Limited only by the VDE control information employed by content creators, other providers, and other pathway of handling and control participants, VDE allows a "natural" and unhindered flow of, and creation of, electronic content product models. VDE provides for this flow of VDE products and services through a network of creators, providers, and users who successively and securely shape and reshape product composition through content combining, extracting, and editing within a Virtual Distribution Environment.

VDE provides means to securely combine content provided at different times, by differing sources, and/or representing differing content types. These types, timings, and/or different sources of content can be employed to form a complex array of content within a VDE content container. For example, a VDE content container may contain a plurality of different content container objects, each containing different content whose usage can be controlled, at least in part, by its own container's set of VDE content control information.

A VDE content container object may, through the use of a secure VDE sub-system, be "safely" embedded within a "parent" VDE content container. This embedding process may involve the creation of an embedded object, or, alternatively, the containing, within a VDE content container, of a previously independent and now embedded object by, at minimum, appropriately referencing said object as to its location.

An embedded content object within a parent VDE content container:

(1) may have been a previously created VDE content container which has been embedded into a parent VDE content container by securely transforming it from an independent to an embedded object through the secure processing of one or more VDE component assemblies within a VDE secure sub-system PPE 650. In this instance, an embedded object may be subject to content control information, including one or more permissions records associated with the parent container, but may not, for example, have its own content control information other than content identification information, or the embedded object may be more extensively controlled by its own content control information (e.g. permissions records).

(2) may include content which was extracted from another VDE content container (along with content control information, as may be applicable) for inclusion into a parent VDE content container in the form of an embedded VDE content container object. In this case, said extraction and embedding may use one or more VDE processes which run securely within a VDE secure sub-system PPE 650 and which may securely remove (or copy) the desired content from a source VDE content container and place such content in a new or existing container object, either of which may be or become embedded into a parent VDE content container.

(3) may include content which was first created and then placed in a VDE content container object. Said receiving container may already be embedded in a parent VDE content container and may already contain other content. The container in which such content is placed may be specified using a VDE aware application which interacts with content and a secure VDE subsystem to securely create such VDE container and place such content therein followed by securely embedding such container into the destination, parent container. Alternatively, content may be specified without the use of a VDE aware application, and then manipulated using a VDE aware

application in order to manage movement of the content into a VDE content container. Such an application may be a VDE aware word processor, desktop and/or multimedia publishing package, graphics and/or presentation package, etc. It may also be an operating system function (e.g. part of a VDE aware operating system or mini-application operating with an O/S such as a Microsoft Windows compatible object packaging application) and movement of content from "outside" VDE to within a VDE object may, for example, be based on a "drag and drop" metaphor that involves "dragging" a file to a VDE container object using a pointing device such as a mouse. Alternatively, a user may "cut" a portion of content and "paste" such a portion into a VDE container by first placing content into a "clipboard," then selecting a target content object and pasting the content into such an object. Such processes may, at the direction of VDE content control information and under the control of a VDE secure subsystem, put the content automatically at some position in the target object, such as at the end of the object or in a portion of the object that corresponds to an identifier carried by or with the content such as a field identifier, or the embedding process might pop-up a user interface that allows a user to browse a target object's contents and/or table of contents and/or other directories, indexes, etc. Such processes may further

allow a user to make certain decisions concerning VDE content control information (budgets limiting use, reporting pathway(s), usage registration requirements, etc.) to be applied to such embedded content and/or may involve selecting the specific location for embedding the content, all such processes to be performed as transparently as practical for the application.

(4) may be accessed in conjunction with one or more operating system utilities for object embedding and linking, such as utilities conforming to the Microsoft OLE standard. In this case, a VDE container may be associated with an OLE "link." Accesses (including reading content from, and writing content to) to a VDE protected container may be passed from an OLE aware application to a VDE aware OLE application that accesses protected content in conjunction with control information associated with such content.

A VDE aware application may also interact with component assemblies within a PPE to allow direct editing of the content of a VDE container, whether the content is in a parent or embedded VDE content container. This may include the use of a VDE aware word processor, for example, to directly edit (add to, delete, or otherwise modify) a VDE container's content. The

secure VDE processes underlying VDE container content editing may be largely or entirely transparent to the editor (user) and may transparently enable the editor to securely browse through (using a VDE aware application) some or all of the contents of, and securely modify one or more of the VDE content containers embedded in, a VDE content container hierarchy.

The embedding processes for all VDE embedded content containers normally involves securely identifying the appropriate content control information for the embedded content. For example, VDE content control information for a VDE installation and/or a VDE content container may securely, and transparently to an embedder (user), apply the same content control information to edited (such as modified or additional) container content as is applied to one or more portions (including all, for example) of previously "in place" content of said container and/or securely apply control information generated through a VDE control information negotiation between control sets, and/or it may apply control information previously applied to said content. Application of control information may occur regardless of whether the edited content is in a parent or embedded container. This same capability of securely applying content control information (which may be automatically and/or transparently applied), may also be employed with content that is embedded into a VDE container through extracting and embedding content,

or through the moving, or copying and embedding, of VDE container objects. Application of content control information normally occurs securely within one or more VDE secure sub-system PPEs 650. This process may employ a VDE template that enables a user, through easy to use GUI user interface tools, to specify VDE content control information for certain or all embedded content, and which may include menu driven, user selectable and/or definable options, such as picking amongst alternative control methods (e.g. between different forms of metering) which may be represented by different icons picturing (symbolizing) different control functions and apply such functions to an increment of VDE secured content, such as an embedded object listed on an object directory display.

Extracting content from a VDE content container, or editing or otherwise creating VDE content with a VDE aware application, provides content which may be placed within a new VDE content container object for embedding into said parent VDE container, or such content may be directly placed into a previously existing content container. All of these processes may be managed by processing VDE content control information within one or more VDE installation secure sub-systems.

VDE content container objects may be embedded in a parent object through control information referenced by a parent

object permissions record that resolves said embedded object's location and/or contents. In this case, little or no change to the embedded object's previously existing content control information may be required. VDE securely managed content which is relocated to a certain VDE content container may be relocated through the use of VDE sub-system secure processes which may, for example, continue to maintain relocated content as encrypted or otherwise protected (e.g. by secure tamper resistant barrier 502) during a relocation/embedding process.

Embedded content (and/or content objects) may have been contributed by different parties and may be integrated into a VDE container through a VDE content and content control information integration process securely managed through the use of one or more secure VDE subsystems. This process may, for example, involve one or more of:

- (1.) securely applying instructions controlling the embedding and/or use of said submitted content, wherein said instructions were securely put in place, at least in part, by a content provider and/or user of said VDE container. For example, said user and/or provider may interact with one or more user interfaces offering a selection of content embedding and/or control options (e.g. in the form of a VDE template). Such options may include which, and/or whether, one or more controls should



be applied to one or more portions of said content and/or the entry of content control parameter data (such a time period before which said content may not be used, cost of use of content, and/or pricing discount control parameters such as software program suite sale discounting). Once required and/or optional content control information is established by a provider and/or user, it may function as content control information which may be, in part or in full, applied automatically to certain, or all, content which is embedded in a VDE content container.

(2.) secure VDE managed negotiation activities, including the use of a user interface interaction between a user at a receiving VDE installation and VDE content control information associated with the content being submitted for embedding. For example, such associated control information may propose certain content information and the content receiver may, for example, accept, select from a plurality, reject, offer alternative control information, and/or apply conditions to the use of certain content control information (for example, accept a certain one or more controls if said content is used by a certain one or more users and/or if the volume of usage of certain content exceeds a certain level).

(3.) a secure, automated, VDE electronic negotiation process involving VDE content control information of the

receiving VDE content container and/or VDE installation and content control information associated with the submitted content (such as control information in a permissions record of a contributed VDE object, certain component assemblies, parameter data in one or more UDEs and/or MDEs, etc.).

Content embedded into a VDE content container may be embedded in the form of:

(1.) content that is directly, securely integrated into previously existing content of a VDE content container (said container may be a parent or embedded content container) without the formation of a new container object. Content control information associated with said content after embedding must be consistent with any pre-embedding content control information controlling, at least in part, the establishment of control information required after embedding. Content control information for such directly integrated, embedded content may be integrated into, and/or otherwise comprise a portion of, control information (e.g. in one or more permissions records containing content control information) for said VDE container, and/or

(2.) content that is integrated into said container in one or more objects which are nested within said VDE content container object. In this instance, control information for said content may

be carried by either the content control information for the parent VDE content container, or it may, for example, be in part or in full carried by one or more permissions records contained within and/or specifically associated with one or more content containing nested VDE objects. Such nesting of VDE content containing objects within a parent VDE content container may employ a number of levels, that is a VDE content container nested in a VDE content container may itself contain one or more nested VDE content containers.

VDE content containers may have a nested structure comprising one or more nested containers (objects) that may themselves store further containers and/or one or more types of content, for example, text, images, audio, and/or any other type of electronic information (object content may be specified by content control information referencing, for example, byte offset locations on storage media). Such content may be stored, communicated, and/or used in stream (such as dynamically accumulating and/or flowing) and/or static (fixed, such as predefined, complete file) form. Such content may be derived by extracting a subset of the content of one or more VDE content containers to directly produce one or more resulting VDE content containers. VDE securely managed content (e.g. through the use of a VDE aware application or operating system having extraction capability) may be identified for extraction from each of one or more

locations within one or more VDE content containers and may then be securely embedded into a new or existing VDE content container through processes executing VDE controls in a secure subsystem PPE 650. Such extraction and embedding (VDE "exporting") involves securely protecting, including securely executing, the VDE exporting processes.

A VDE activity related to VDE exporting and embedding involves performing one or more transformations of VDE content from one secure form to one or more other secure forms. Such transformation(s) may be performed with or without moving transformed content to a new VDE content container (e.g. by component assemblies operating within a PPE that do not reveal, in unprotected form, the results or other output of such transforming processes without further VDE processes governing use of at least a portion of said content). One example of such a transformation process may involve performing mathematical transformations and producing results, such as mathematical results, while retaining, none, some, or all of the content information on which said transformation was performed. Other examples of such transformations include converting a document format (such as from a WordPerfect format to a Word for Windows format, or an SGML document to a Postscript document), changing a video format (such as a QuickTime video format to a MPEG video format), performing an artificial

intelligence process (such as analyzing text to produce a summary report), and other processing that derives VDE secured content from other VDE secured content.

Figure 79 shows an example of an arrangement of commercial VDE users. The users in this example create, distribute, redistribute, and use content in a variety of ways. This example shows how certain aspects of control information associated with content may evolve as control information passes through a chain of handling and control. These VDE users and controls are explained in more detail below.

Creator A in this example creates a VDE container and provides associated content control information that includes references (amongst other things) to several examples of possible "types" of VDE control information. In order to help illustrate this example, some of the VDE control information passed to another VDE participant is grouped into three categories in the following more detailed discussion: distribution control information, redistribution control information, and usage control information. In this example, a fourth category of embedding control information can be considered an element of all three of the preceding categories. Other groupings of control information are possible (VDE does not require organizing control information in this way). The content control information associated with this

example of a container created by creator A is indicated on Figure 80 as  $C_A$ . Figure 80 further shows the VDE participants who may receive enabling control information related to creator A's VDE content container. Some of the control information in this example is explained in more detail below.

Some of the distribution control information (in this example, control information primarily associated with creation, modification, and/or use of control information by distributors) specified by creator A includes: (a) distributors will compensate creator A for each active user of the content of the container at the rate of \$10 per user per month, (b) distributors are budgeted such that they may allow no more than 100 independent users to gain access to such content (i.e. may create no more than 100 permissions records reflecting content access rights) without replenishing this budget, and (c) no distribution rights may be passed on in enabling control information (e.g. permissions records and associated component assemblies) created for distribution to other participants.

Some of the content redistribution control information (in this example, control information produced by a distributor within the scope permitted by a more senior participant in a chain of handling and control and passed to user/providers (in this example, user/distributors) and associated with controls

and/or other requirements associated with redistribution activities by such user/distributors) specified by creator A includes: (a) a requirement that control information enabling content access may be redistributed by user/distributors no more than 2 levels, and further requires that each redistribution decrease this value by one, such that a first redistributor is restricted to two levels of redistribution, and a second redistributor to whom the first redistributor delivers permissions will be restricted to one additional level of redistribution, and users receiving permissions from the second redistributor will be unable to perform further redistribution (such a restriction may be enforced, for example, by including as one aspect of a VDE control method associated with creating new permissions a requirement to invoke one or more methods that: (i) locate the current level of redistribution stored, for example, as an integer value in a UDE associated with such one or more methods, (ii) compare the level of redistribution value to a limiting value, and (iii) if such level of redistribution value is less than the limiting value, increment such level of redistribution value by one before delivering such a UDE to a user as an aspect of content control information associated with VDE managed content, or fail the process if such value is equal to such a limiting value), and (b) no other special restrictions are placed on redistributors.

Some of the usage control information (in this example, control information that a creator requires a distributor to provide in control information passed to users and/or user/distributors) specified by creator A may include, for example: (a) no moves (a form of distribution explained elsewhere in this document) of the content are permitted, and (b) distributors will be required to preserve (at a minimum) sufficient metering information within usage permissions in order to calculate the number of users who have accessed the container in a month and to prevent further usage after a rental has expired (e.g. by using a meter method designed to report access usages to creator A through a chain of handling and reporting, and/or the use of expiration dates and/or time-aged encryption keys within a permissions record or other required control information).

Some of the extracting and/or embedding control information specified by creator A in this example may include a requirement that no extracting and/or embedding of the content is or will be permitted by parties in a chain of handling and control associated with this control information, except for users who have no redistribution rights related to such VDE secured content provided by Creator A. Alternatively, or in addition, as regards different portions of said content, control information enabling certain extraction and/or embedding may be provided



along with the redistribution rights described in this example for use by user/distributors (who may include user content aggregators, that is they may provide content created by, and/or received from, different sources so as to create their own content products).

Distributor A in this example has selected a basic approach that distributor A prefers when offering enabling content control information to users and/or user/distributors that favors rental of content access rights over other approaches. In this example, some of the control information provided by creators will permit distributor A to fulfill this favored approach directly, and other control structures may disallow this favored approach (unless, for example, distributor A completes a successful VDE negotiation allowing such an approach and supporting appropriate control information). Many of the control structures received by distributor A, in this example, are derived from (and reflect the results of) a VDE negotiation process in which distributor A indicates a preference for distribution control information that authorizes the creation of usage control information reflecting rental based usage rights. Such distribution control information may allow distributor A to introduce and/or modify control structures provided by creators in such a way as to create control information for distribution to users and/or user/distributors that, in effect, "rent" access rights. Furthermore, distributor A in

this example services requests from user/distributors for redistribution rights, and therefore also favors distribution control information negotiated (or otherwise agreed to) with creators that permits distributor A to include such rights as an aspect of control information produced by distributor A.

In this example, distributor A and creator A may use VDE to negotiate (for example, VDE negotiate) for a distribution relationship. Since in this example creator A has produced a VDE content container and associated control information that indicates creator A's desire to receive compensation based on rental of usage rights, and such control information further indicates that creator A has placed acceptable restrictions in redistribution control information that distributor A may use to service requests from user/distributors, distributor A may accept creator A's distribution control information without any negotiated changes.

After receiving enabling distribution control information from creator A, distributor A may manipulate an application program to specify some or all of the particulars of usage control information for users and/or user/distributors enabled by distributor A (as allowed, or not prevented, by senior control information). Distributor A may, for example, determine that a price of \$15 per month per user would meet distributor A's

business objectives with respect to payments from users for creator A's container. Distributor A must specify usage control information that fulfill the requirements of the distribution control information given to distributor A by creator A. For example, distributor A may include any required expiration dates and/or time-aged encryption keys in the specification of control information in accordance with creator A's requirements. If distributor A failed to include such information (or to meet other requirements) in their specification of control information, the control method(s) referenced in creator A's permissions record and securely invoked within a PPE 650 to actually create this control information would, in this example, fail to execute in the desired way (e.g. based on checks of proposed values in certain fields, a requirement that certain methods be included in permissions, etc.) until acceptable information were included in distributor A's control information specification.

In this example, user A may have established an account with distributor A such that user A may receive VDE managed content usage control information from distributor A. User A may receive content usage control information from distributor A to access and use creator A's content. Since the usage control information has passed through (and been added to, and/or modified by) a chain of handling including distributor A, the usage control information requested from distributor A to make

use of creator A's content will, in this example, reflect a composite of control information from creator A and distributor A. For example, creator A may have established a meter method that will generate an audit record if a user accesses creator A's VDE controlled content container if the user has not previously accessed the container within the same calendar month (e.g. by storing the date of the user's last access in a UDE associated with an open container event referenced in a method core of such a meter method and comparing such a date upon subsequent access to determine if such access has occurred within the same calendar month). Distributor A may make use of such a meter method in a control method (e.g. also created and/or provided by creator A, or created and/or provided by distributor A) associated with opening creator A's container that invokes one or more billing and/or budget methods created, modified, referenced in one or more permissions records and/or parameterized by distributor A to reflect a charge for monthly usage as described above. If distributor A has specified usage and/or redistribution control information within the boundaries permitted by creator A's senior control information, a new set of control information (shown as  $D_A(C_A)$  in Figure 80) may be associated with creator A's VDE content container when control information associated with that container by distributor A are delivered to users and/or user/distributors (user A, user B, and user/distributor A in this example).

In this example, user A may receive control information related to creator A's VDE content container from distributor A. This control information may represent an extended agreement between user A and distributor A (e.g. regarding fees associated with use of content, limited redistribution rights, etc.) and distributor A and creator A (e.g. regarding the character, extent, handling, reporting, and/or other aspects of the use and/or creation of VDE controlled content usage information and/or content control information received, for example, by distributor A from creator A, or vice versa, or in other VDE content usage information handling). Such an extended agreement is enforced by processes operating within a secure subsystem of each participant's VDE installation. The portion of such an extended agreement representing control information of creator A as modified by distributor A in this example is represented by  $D_A(C_A)$ , including, for example, (a) control structures (e.g. one or more component assemblies, one or more permissions records, etc.), (b) the recording of usage information generated in the course of using creator A's content in conformance with requirements stated in such control information, (c) making payments (including automatic electronic credit and/or currency payments "executed" in response to such usage) as a consequence of such usage (wherein such consequences may also include electronically, securely and automatically receiving a bill delivered through use of VDE, wherein such a bill is derived from

said usage), (d) other actions by user A and/or a VDE secure subsystem at user A's VDE installation that are a consequence of such usage and/or such control information.

In addition to control information  $D_A(C_A)$ , user A may enforce her own control information on her usage of creator A's VDE content container (within the limits of senior content control information). This control information may include, for example, (a) transaction, session, time based, and/or other thresholds placed on usage such that if such thresholds (e.g. quantity limits, for example, self imposed limits on the amount of expenditure per activity parameter) are exceeded user A must give explicit approval before continuing, (b) privacy requirements of user A with respect to the recording and/or transmission of certain usage related details relating to user A's usage of creator A's content, (c) backup requirements that user A places on herself in order to help ensure a preservation of value remaining in creator A's content container and/or local store of electronic credit and/or currency that might otherwise be lost due to system failure or other causes. The right to perform in some or all of these examples of user A's control information, in some examples, may be negotiated with distributor A. Other such user specified control information may be enforced independent of any control information received from any content provider and may be set in relationship to a user's, or more generally, a VDE installation's,

control information for one or more classes, or for all classes, of content and/or electronic appliance usage. The entire set of VDE control information that may be in place during user A's usage of creator A's content container is referred to on Figure 80 as  $U_A(D_A(C_A))$ . This set may represent the control information originated by creator A, as modified by distributor A, as further modified by user A, all in accordance with control information from value chain parties providing more senior control information, and therefore constitutes, for this example, a "complete" VDE extended agreement between user A, distributor A, and creator A regarding creator A's VDE content container. User B may, for example, also receive such control information  $D_A(C_A)$  from distributor A, and add her own control information in authorized ways to form the set  $U_B(D_A(C_A))$ .

User/distributor A may also receive VDE control information from distributor A related to creator A's VDE content container. User/distributor A may, for example, both use creator A's content as a user and act as a redistributor of control information. In this example, control information  $D_A(C_A)$  both enables and limits these two activities. To the extent permitted by  $D_A(C_A)$ , user/distributor A may create their own control information based on  $D_A(C_A)$  --  $UD_A(D_A(C_A))$  -- that controls both user/distributor A's usage (in a manner similar to that described above in connection with user A and user B), and control

information redistributed by user/distributor A (in a manner similar to that described above in connection with distributor A). For example, if user/distributor A redistributes  $UD_A(D_A(C_A))$  to user/distributor B, user/distributor B may be required to report certain usage information to user/distributor A that was not required by either creator A or distributor A. Alternatively or in addition, user/distributor B may, for example, agree to pay user/distributor A a fee to use creator A's content based on the number of minutes user/distributor B uses creator A's content (rather than the monthly fee charged to user/distributor A by distributor A for user/distributor B's usage).

In this example, user/distributor A may distribute control information  $UD_A(D_A(C_A))$  to user/distributor B that permits user/distributor B to further redistribute control information associated with creator A's content. User/distributor B may make a new set of control information  $UD_B(UD_A(D_A(C_A)))$ . If the control information  $UD_A(D_A(C_A))$  permits user/distributor B to redistribute, the restrictions on redistribution from creator A in this example will prohibit the set  $UD_B(UD_A(D_A(C_A)))$  from including further redistribution rights (e.g. providing redistribution rights to user B) because the chain of handling from distributor A to user/distributor A (distribution) and the continuation of that chain from user/distributor A to user/distributor B (first level of redistribution) and the further



continuation of that chain to another user represents two levels of redistribution, and, therefore, a set  $UD_B(UD_A(D_A(C_A)))$  may not, in this example, include further redistribution rights.

As indicated in Figure 79, user B may employ content from both user/distributor B and distributor A (amongst others). In this example, as illustrated in Figure 80, user B may receive control information associated with creator A's content from distributor A and/or user/distributor B. In either case, user B may be able to establish their own control information on  $D_A(C_A)$  and/or  $UD_B(UD_A(D_A(C_A)))$ , respectively (if allowed by such control information. The resulting set(s) of control information,  $U_B(D_A(C_A))$  and/or  $U_B(UD_B(UD_A(D_A(C_A))))$  respectively, may represent different control scenarios, each of which may have benefits for user B. As described in connection with an earlier example, user B may have received control information from user/distributor B along a chain of handling including user/distributor A that bases fees on the number of minutes that user B makes use of creator A's content (and requiring user/distributor A to pay fees of \$15 per month per user to distributor A regardless of the amount of usage by user B in a calendar month). This may be more favorable under some circumstances than the fees required by a direct use of control information provided by distributor A, but may also have the disadvantage of an exhausted chain of redistribution and, for

example, further usage information reporting requirements included in  $UD_B(UD_A(D_A(C_A)))$ . If the two sets of control information  $D_A(C_A)$  and  $UD_B(UD_A(D_A(C_A)))$  permit (e.g. do not require exclusivity enforced, for example, by using a registration interval in an object registry used by a secure subsystem of user B's VDE installation to prevent deregistration and reregistration of different sets of control information related to a certain container (or registration of plural copies of the same content having different control information and/or being supplied by different content providers) within a particular interval of time as an aspect of an extended agreement for a chain of handling and control reflected in  $D_A(C_A)$  and/or  $UD_B(UD_A(D_A(C_A)))$ ), user B may have both sets of control information registered and may make use of the set that they find preferable under a given usage scenario.

In this example, creator B creates a VDE content container and associates a set of VDE control information with such container indicated in Figure 81 as  $C_B$ . Figure 81 further shows the VDE participants who may receive enabling control information related to creator B's VDE content container. In this example, control information may indicate that distributors of creator B's content: (a) must pay creator B \$0.50 per kilobyte of information decrypted by users and/or user/distributors authorized by such a distributor, (b) may allow users and/or

user/distributors to embed their content container in another container while maintaining a requirement that creator B receive \$0.50 per kilobyte of content decrypted, (c) have no restrictions on the number of enabling control information sets that may be generated for users and/or user/distributors, (d) must report information concerning the number of such distributed control information sets at certain time intervals (e.g. at least once per month), (e) may create control information that allows users and/or user/distributors to perform up to three moves of their control information, (f) may allow redistribution of control information by user/distributors up to three levels of redistribution, (g) may allow up to one move per user receiving redistributed control information from a user/distributor.

In this example, distributor A may request control information from creator B that enables distributor A to distribute control information to users and/or user/distributors that is associated with the VDE container described above in connection with creator B. As stated earlier, distributor A has established a business model that favors "rental" of access rights to users and user/distributors receiving such rights from distributor A. Creator B's distribution control information in this example does not force a model including "rental" of rights, but rather bases payment amounts on the quantity of content decrypted by a user or user/distributor. In this example,

distributor A may use VDE to negotiate with creator B to include a different usage information recording model allowed by creator B. This model may be based on including one or more meter methods in control structures associated with creator B's container that will record the number of bytes decrypted by end users, but not charge users a fee based on such decryptions; rather distributor A proposes, and creator B's control information agrees to allow, a "rental" model to charge users, and determines the amount of payments to creator B based on information recorded by the bytes decrypted meter methods and/or collections of payment from users.

Creator B may, for example, (a) accept such a new control model with distributor A acting as the auditor (e.g. trusting a control method associated with processing audit information received by distributor A from users of creator B's content using a VDE secure subsystem at distributor A's site, and further to securely calculate amounts owed by distributor A to creator B and, for example, making payments to creator B using a mutually acceptable budget method managing payments to creator B from credit and/or currency held by distributor A), (b) accept such a new control model based on distributor A's acceptance of a third party to perform all audit functions associated with this content, (c) may accept such a model if information associated with the one or more meter methods that

record the number of bytes decrypted by users is securely packaged by distributor B's VDE secure subsystem and is securely, employing VDE communications techniques, sent to creator B in addition to distributor A, and/or (d) other mutually acceptable conditions. Control information produced by distributor A based on modifications performed by distributor A as permitted by  $C_B$  are referred to in this example as  $D_A(C_B)$ .

User A may receive a set of control information  $D_A(C_B)$  from distributor A. As indicated above in connection with content received from creator A via a chain of handling including distributor A, user A may apply their own control information to the control information  $D_A(C_B)$ , to the extent permitted by  $D_A(C_B)$ , to produce a set of control information  $U_A(D_A(C_B))$ . The set of control information  $D_A(C_B)$  may include one or more meter methods that record the number of bytes of content from creator B's container decrypted by user A (in order to allow correct calculation of amounts owed by distributor A to creator B for user A's usage of creator B's content in accordance with the control information of  $C_B$  that requires payment of \$0.50 per kilobyte of decrypted information), and a further meter method associated with recording usage such that distributor A may gather sufficient information to securely generate billings associated with user A's usage of creator B's content and based on a "rental" model (e.g. distributor A may, for example, have included a meter

method that records each calendar month that user A makes use of creator B's content, and relates to further control information that charges user A \$10 per month for each such month during which user A makes use of such content.)

User/distributor A may receive control information  $C_B$  directly from creator B. In this case, creator B may use VDE to negotiate with user/distributor A and deliver a set of control information  $C_B$  that may be the same or differ from that described above in connection with the distribution relationship established between creator B and distributor A. For example, user/distributor A may receive control information  $C_B$  that includes a requirement that user/distributor A pay creator B for content decrypted by user/distributor A (and any participant receiving distributed and/or redistributed control information from user/distributor A) at the rate of \$0.50 per kilobyte. As indicated above, user/distributor A also may receive control information associated with creator B's VDE content container from distributor A. In this example, user/distributor A may have a choice between paying a "rental" fee through a chain of handling passing through distributor A, and a fee based on the quantity of decryption through a chain of handling direct to creator B. In this case, user/distributor A may have the ability to choose to use either or both of  $C_B$  and  $D_A(C_B)$ . As indicated earlier in connection with a chain of handling including creator A

and distributor A, user/distributor A may apply her own control information to the extent permitted by  $C_B$  and/or  $D_A(C_B)$  to form the sets of control information  $UD_A(C_B)$  and  $UD_A(D_A(C_B))$ , respectively.

As illustrated in Figure 81, in this example, user B may receive control information associated with creator B's VDE content container from six different sources:  $C_B$  directly from creator B,  $D_A(C_B)$  from distributor A,  $UD_B(UD_A(D_A(C_B)))$  and/or  $UD_B(UD_A(C_B))$  from user/distributor B,  $D_C(C_B)$  from distributor C, and/or  $D_B(D_C(C_B))$  from distributor B. This represents six chains of handling through which user B may enter into extended agreements with other participants in this example. Two of these chains pass through user/distributor B. Based on a VDE negotiation between user/distributor B and user B, an extended agreement may be reached (if permitted by control information governing both parties) that reflects the conditions under which user B may use one or both sets of control information. In this example, two chains of handling and control may "converge" at user/distributor B, and then pass to user B (and if control information permits, later diverge once again based on distribution and/or redistribution by user B).

In this example, creator C produces one or more sets of control information  $C_C$  associated with a VDE content container

created by creator C, as shown in Figure 82. Figure 82 further shows the VDE participants who may receive enabling control information related to creator C's VDE content container. The content in such a container is, in this example, organized into a set of text articles. In this example control information may include one or more component assemblies that describe the articles within such a container (e.g. one or more event methods referencing map tables and/or algorithms that describe the extent of each article).  $C_C$  may further include, for example: (a) a requirement that distributors ensure that creator C receive \$1 per article accessed by users and/or user/distributors, which payment allows a user to access such an article for a period of no more than six months (e.g. using a map-type meter method that is aged once per month, time aged decryption keys, expiration dates associated with relevant permissions records, etc.), (b) control information that allows articles from creator C's container to be extracted and embedded into another container for a one time charge per extract/embed of \$10, (c) prohibits extracted/embedded articles from being reextracted, (d) permits distributors to create enabling control information for up to 1000 users or user/distributors per month, (e) requires that information regarding the number of users and user/distributors enabled by a distributor be reported to creator C at least once per week, (f) permits distributors to enable users or user/distributors



to perform up to one move of enabling control information, and  
(g) permits up to 2 levels of redistribution by user/distributors.

In this example, distributor B may establish a distribution relationship with creator C. Distributor B in this example may have established a business model that favors the distribution of control information to users and user/distributors that bases payments to distributor B based on the number of accesses performed by such VDE participants. In this example, distributor B may create a modified set  $D_B(C_C)$  of enabling control information for distribution to users and/or user/distributors. This set  $D_B(C_C)$  may, for example, be based on a negotiation using VDE to establish a fee of \$0.10 per access per user for users and/or user/distributors who receive control information from distributor B. For example, if one or more map-type meter methods have been included in  $C_C$  to ensure that adequate information may be gathered from users and/or user/distributors to ensure correct payments to creator C by distributor B based on  $C_C$ , such methods may be preserved in the set  $D_B(C_C)$ , and one or more further meter methods (and any other necessary control structures such as billing and/or budget methods) may be included to record each access such that the set  $D_B(C_C)$  will also ensure that distributor B will receive payments based on each access.

The client administrator in this example may receive a set of content control information  $D_B(C_C)$  that differs, for example, from control information received by user B from distributor B. For example, the client administrator may use VDE to negotiate with distributor B to establish a set of control information for content from all creators for whom distributor B may provide enabling content control information to the client administrator. For example, the client administrator may receive a set of control information  $D_B(C_C)$  that reflects the results of a VDE negotiation between the client administrator and distributor B. The client administrator may include a set of modifications to  $D_B(C_C)$  and form a new set  $CA(D_B(C_C))$  that includes control information that may only be available to users and user/distributors within the same organization as the client administrator (e.g. coworkers, employees, consultants, etc.) In order to enforce such an arrangement,  $CA(D_B(C_C))$  may, for example, include control structures that examine name services information associated with a user or user/distributor during registration, establish a new budget method administered by the client administrator and required for use of the content, etc.

A distributor may provide redistribution rights to a client administrator which allows said administrator to redistribute rights to create permissions records for certain content (redistribute rights to use said content) only within the

administrator's organization and to no other parties. Similarly, such administrator may extend such a "limited" right to redistribute to department and/or other administrator within his organization such that they may redistribute such rights to use content based on one or more restricted lists of individuals and/or classes and/or other groupings of organization personnel as defined by said administrator. This VDE capability to limit redistribution to certain one or more parties and/or classes and/or other groupings of VDE users and/or installations can be applied to content by any VDE content provider, so long as such a control is allowed by senior control information.

User D in this example may receive control information from either the client administrator and/or user/distributor C. User/distributor C may, for example, distribute control information  $UD_C(CA(D_B(C_C)))$  to user D that includes a departmental budget method managed by user/distributor C to allow user/distributor C to maintain an additional level of control over the actions of user D. In this case,  $UD_C(CA(D_B(C_C)))$  may include multiple levels of organizational controls (e.g. controls originating with the client administrator and further controls originating with user/distributor C) in addition to controls resulting from a commercial distribution channel. In addition or alternatively, the client administrator may refuse to distribute certain classes of control information to user D even if the client

administrator has adequate control information (e.g. control information distributed to user/distributor C that allows redistribution to users such as user D) to help ensure that control information flows through the client administrator's organization in accordance with policies, procedures, and/or other administrative processes.

In this example, user E may receive control information from the client administrator and/or distributor B. For example, user E may have an account with distributor B even though some control information may be received from the client administrator. In this case, user E may be permitted to request and receive control information from distributor B without restriction, or the client administrator may have, as a matter of organizational policy, control information in place associated with user E's electronic appliance that limits the scope of user E's interaction with distributor B. In the latter case, the client administrator may, for example, have limited user E to registering control information with the secure subsystem of user E's electronic appliance that is not available from the client administrator, is from one or more certain classes of distributors and/or creators, and/or has a cost for usage, such as a certain price point (e.g. \$50 per hour of usage). Alternatively or in addition, the client administrator may, for example, limit user E to receiving control information from distributor B in which user

E receives a more favorable price (or other control information criteria) than the price (or other criteria) available in control information from the client administrator.

In this example, creator D may create a VDE content container that is designed primarily for integration with other content (e.g. through use of a VDE extracting/embedding process), for example, content provided by creator B and creator C. Figure 83 shows the VDE participants who may receive enabling control information related a VDE content container produced by creator D. Control information associated with creator D's content ( $C_D$  in Figure 83) may include, for example:

- (a) a requirement that distributors make payment of either \$1.50 per open per user, or \$25 per user for an unlimited number of opens, (b) a discount of 20% for any user that has previously paid for an unlimited number of opens for certain other content created by creator D (e.g. implemented by including one or more billing methods that analyze a secure database of a user's VDE installation to determine if any of such certain other containers are registered, and further determines the character of rights held by a user purchasing rights to this container), (c) a requirement that distributors report the number of users and user/distributors enabled by control information produced in accordance with  $C_D$  after such number exceeds 1000, (d) a requirement that distributors limit the number of moves by users

and/or user/distributors to no more than one, (e) a requirement that distributors limit user/distributors to no more than four levels of redistribution, and (f) that distributors may create enabling control information that permits other distributors to create control information as distributors, but may not pass this capability to such enabled distributors, and further requires that audit information associated with use of control information by such enabled distributors shall pass directly to creator D without processing by such enabling distributor and that creator D shall pay such an enabling distributor 10% of any payments received by creator D from such an enabled distributor.

In this example, distributor C may receive VDE content containers from creator B, creator C, and creator D, and associated sets of control information  $C_B$ ,  $C_C$ , and  $C_D$ . Distributor C may use the embedding control information and other control information to produce a new container with two or more VDE objects received from creator B, creator C, and creator D. In addition or alternatively, distributor C may create enabling control information for distribution to users and/or user/distributors (or in the case of  $C_D$ , for distributors) for such received containers individually. For example, distributor C may create a container including content portions (e.g. embedded containers) from creator B, creator C, and creator D in which each such portion has control information related to its access

and use that records, and allows an auditor to gather, sufficient information for each such creator to securely and reliably receive payments from distributor C based on usage activities related to users and/or user/distributors enabled by distributor C.

Furthermore, distributor C may negotiate using VDE with some or all of such creators to enable a model in which distributor C provides overall control information for the entire container based on a "uniform" fee (e.g. calculated per month, per access, from a combined model, etc.) charged to users and/or user/distributors, while preserving the models of each such creator with respect to payments due to them by distributor C based on  $C_B$ ,  $C_C$ , and/or  $C_D$ , and, for example, resulting from each of their differing models for the collection of content usage information and any related (e.g. advertising) information.

In this example, distributor B may receive a VDE content container and associated content control information  $C_E$  from creator E as shown in Figure 83. If  $C_E$  permits, distributor B may extract a portion of the content in such a container. Distributor B may then, for example, embed this portion in a container received from distributor C that contains an aggregation of VDE objects created by creator B, creator C, and creator D. Depending on the particular restrictions and/or permissions in the sets of control information received from each creator and distributor C, distributor B may, for example, be able

to embed such an extracted portion into the container received from distributor C as an independent VDE object, or directly into content of "in place" objects from creator B, creator C, and/or creator D. Alternatively, or in addition, distributor B may, if permitted by C<sub>E</sub>, choose to distribute such an extracted portion of content as an independent VDE object.

User B may, in this example, receive a VDE content container from distributor C that is comprised of VDE objects created by creator B, creator C, and creator D. In addition, user B may receive a VDE content container from distributor B that contains the same content created by creator B, creator C, and creator D in addition to one or more extracted/embedded portions of content created by creator E. User B may base decisions concerning which of such containers they choose to use (including which embedded containers she may wish to use), and under which circumstances, based on, for example, the character of such extracted/embedded portions (e.g. multimedia presentations illustrating potential areas of interest in the remainder of the content, commentary explaining and/or expositing other elements of content, related works, improved application software delivered as an element of content, etc.); the quality, utility, and/or price (or other attributes of control information) of such portions; and other considerations which distinguish the



containers and/or content control information received, in this example, from distributor B and distributor C.

User B may receive content control information from distributor B for such a VDE content container that permits user B to add and/or modify content contained therein. User B may, for example, desire an ability to annotate content in such a container using a VDE aware word processor or other application(s). If permitted by senior control information, some or all of the content may be available to user B for modification and/or additions. In this case, user B is acting as a VDE creator for added and/or modified content. User B may, for example, provide new control information for such content, or may be required (or desire to) make use of existing control information (or control information included by senior members of a chain of handling for this purpose) to manage such content (based on control information related to such a container and/or contained objects).

In this example, VDE 100 has been used to enable an environment including, for example, content distribution, redistribution, aggregation (extracting and/or embedding), reaggregation, modification, and usage. The environment in this example allows competitive models in which both control information and content may be negotiated for and have different

particulars based on the chain of handling through which control information and/or content has been passed. Furthermore, the environment in this example permits content to be added to, and/or modified by, VDE participants receiving control information that enables such activities.

**Example -- Content Distribution Through a Content VDE Chain of Handling**

Figure 84 reflects certain aspects of a relatively simple model 3400 of VDE content distribution involving several categories of VDE participants. In this instance, and for simplicity of reference purposes, various portions of content are represented as discrete items in the form of VDE content container objects. One or more of such content portions may also be integrated together in a single object and may (as may the contents of any VDE content container object if allowed by content control information) be extracted in whole or part by a user. In this example, publishers of historical/educational multimedia content have created VDE content containers through the use of content objects available from three content resources:

- a Video Library 3402 product available to Publishers on optical discs and containing video clip VDE objects representing various historical situations,
- an Internet Repository 3404 which stores history information text and picture resources in VDE objects which are available for downloading to Publishers and other users, and

- an Audio Library 3406, also available on optical discs, and containing various pieces of musical performances and vocal performances (for example, historical narrations) which can be used alone or to accompany other educational historical materials.

The information provided in library 3402, repository 3404, and library 3406 may be provided to different publishers 3408(a), 3408(b), ..., 3408(n). Publishers 3408 may, in turn, provide some or all of the information they obtain to end users 3410.

In this example, the Video Library 3402 control information allows publishers to extract objects from the Video Library product container and content control information enabling use of each extracted object during a calendar year if the object has a license cost of \$50 or less, and is shorter than 45 minutes in duration, and 20,000 copies of each of any other extracted objects, and further requires all video objects to be VDE fingerprinted upon decryption. The Audio Library 3404 has established similar controls that match its business model. The Internet Repository 3406 VDE containerizes, including encrypts, selected object content as it streams out of the Repository in response to an online, user request to download an object. The Repository 3406 may fingerprint the identification of the receiving VDE installation into its content prior to encryption

and communication to a publisher, and may further require user identification fingerprinting of their content when decrypted by said Publisher or other content user.

The Publishers 3408 in this example have selected, under terms and conditions VDE negotiated (or otherwise agreed to) with the providing resources, various content pieces which they combine together to form their VDE object container products for their teacher customers. Publisher 3408(A) has combined video objects extracted from the Video Library 3402 (as indicated by circles), text and image objects extracted from the Internet Repository 3404 (indicated by diamonds), and one musical piece and one historical narration extracted from the Audio Library 3406 (as indicated by rectangles). Publisher 3408(B) has extracted a similar array of objects to be combined into his product, and has further added graphical elements (indicated by a hexagon) created by Publisher 3408(B) to enhance the product. Publisher 3408(C) has also created a product by combining objects from the Internet Repository 3404 and the Audio Library 3406. In this example, all publisher products are delivered, on their respective optical discs, in the form of VDE content container objects with embedded objects, to a modern high school for installation on the high school's computer network.

In this particular example, End-Users 3410 are teachers who use their VDE node's secure subsystems to access the VDE installation on their high school server that supports the publishers' products (in an alternative example, the high school may maintain only a server based VDE installation). These teachers license the VDE products from one or more of the publishers and extract desired objects from the VDE product content containers and either download the extracted VDE content in the form of VDE content containers for storage on their classroom computers and/or as appropriate and/or efficient. The teachers may store extracted content in the form of VDE content containers on server mass storage (and/or if desired and available to an end-user, and further according to acceptable pricing and/or other terms and conditions and/or senior content control information, they may store extracted information in "clear" unencrypted form on their nodes' and/or server storage means). This allows the teachers to play, and/or otherwise use, the selected portions of said publishers' products, and as shown in two instances in this example, add further teacher and/or student created content to said objects. End-user 3410(2), for example, has selected a video piece 1 received from Publisher A, who received said object from the Video Library. End-user 3410(3) has also received a video piece 3 from the same Publisher 3408(A) wherein said piece was also available to her from Publisher 3408(B), but perhaps under not as favorable terms and

conditions (such as a support consultation telephone line). In addition, end-user 3410(3) has received an audio historical narration from Publisher 3408(B) which corresponds to the content of historical reference piece 7. End-user 3410(3) has also received a corresponding historical reference piece 7 (a book) from publisher 3408(2) who received said book from the Internet Repository 3404. In this instance, perhaps publisher 3408(2) charged less for said book because end-user 3410(3) has also licensed historical reference piece 7 from him, rather than publisher 3408(1), who also carried the same book. End-user 3410(3), as a teacher, has selected the items she considers most appropriate for her classes and, through use of VDE, has been able to flexibly extract such items from resources available to her (in this instance, extracting objects from various optical products provided by publishers and available on the local high school network server).

**Example -- Distribution of Content Control Information Within an Organization**

Figure 85 shows two VDE content containers, Container 300(A) and Container 300(B), that have been distributed to a VDE Client Administrator 3450 in a large organization. As shown in the figure, Container 300(A) and Container 300(B), as they arrive at the corporation, carry certain control information specifying available usage rights for the organization. As can be further seen in Figure 85, the client administrator 3450 has distributed certain subsets of these rights to certain department administrators 3452 of her organization, such as Sales and Marketing Administrator 3452(1), Planning Administrator 3452(2), and Research and Development Administrator 3452(k). In each instance, the Client Administrator 3450 has decided which usage options and how much budget should be made available to each department.

Figure 85 is a simplified example and, for example, the Client Administrator 3450 could have added further VDE controls created by herself and/or modified and/or deleted in place controls (if allowed by senior content control information) and/or (if allowed by control information) she could have further divided the available monetary budget (or other budgets) among specific usage activities. In this example, departmental administrators have the same rights to determine the rights of departmental



end-users as the client administrator has in regard to departments. In addition, in this example (but not shown in Figure 85) the client administrator 3450 and/or content provider(s) may also determine certain control information which must directly control (including providing rights related to) end-user content usage and/or the consequences of said usage for all or certain classes of end-users. In the example shown in Figure 85, there are only three levels of VDE participants within the organization:

- a Client Administrator 3450,
- department administrators 3452, and
- end-users 3454.

In other examples, VDE will support many levels of VDE administration (including overlapping groups) within an organization (e.g., division, department, project, network, group, end-users, etc). In addition, administrators in a VDE model may also themselves be VDE content users.

Within an organization, VDE installations may be at each end-user 3454 node, only on servers or other multiple user computers or other electronic appliances, or there may be a mixed environment. Determination as to the mix of VDE server and/or node usage may be based on organization and/or content provider security, performance, cost overhead, or other considerations.

In this example, communications between VDE participants in Figure 85 employs VDE secure communication techniques between VDE secure subsystems supporting PPEs and other VDE secure system components at each VDE installation within the organization.

### **Example -- Another Content Distribution Example**

Creators of VDE protected content may interact with other VDE participants in many different ways. A VDE creator 102 may, for example, distribute content and/or content control information directly to users, distribute content and/or content control information to commercial content repositories, distribute content and/or content control information to corporate content repositories, and/or distribute content and/or content control information to other VDE participants. If a creator 102 does not interact directly with all users of her content, she may transmit distribution permissions to other VDE participants that permit such participants to further distribute content and/or content control information. She may also allow further distribution of VDE content and/or content control information by, for example, not restricting redistribution of control information, or allowing a VDE participant to act as a "conduit" for one or more permissions records that can be passed along to another party, wherein said permissions record provides for including the identification of the first receiving party and/or the second receiving party.

Figure 86 shows one possible arrangement of VDE participants. In this example, creator 102 may employ one or more application software programs and one or more VDE secure subsystems to place unencrypted content into VDE protected

form (i.e., into one or more VDE content containers). In addition, creator 102 may produce one or more distribution permissions 3502 and/or usage permissions 3500 as an aspect of control information associated with such VDE protected content. Such distribution and/or usage permissions 3500, 3502 may be the same (e.g., all distribution permissions may have substantively all the same characteristics), or they may differ based on the category and/or class of participant for whom they are produced, the circumstances under which they are requested and/or transmitted, changing content control models of either creator 102 or a recipient, etc.

In this example, creator 102 transmits (e.g., over a network, via broadcast, and/or through transfer of physical media) VDE protected content to user 112a, user 112b, and/or user 112c. In addition, creator 102 transmits, using VDE secure communications techniques, usage permissions to such users. User 112a, user 112b, and user 112c may use such VDE protected content within the restrictions of control information specified by usage permissions received from creator 102. In this case, creator 102 may, for example, manage all aspects of such users activities related to VDE protected content transmitted to them by creator 102. Alternatively, creator 102 may, for example, include references to control information that must be

available to users that is not provided by creator 102 (e.g., component assemblies managed by another party).

Commercial content repository 200g, in this example, may receive VDE protected (or otherwise securely delivered) content and distribution, permissions and/or other content usage control information from creator 102. Commercial content repository 200g may store content securely such that users may obtain such, when any required conditions are met, content from the repository 200g. The distribution permissions 3502 may, for example, permit commercial content repository 200g to create redistribution permissions and/or usage permissions 3500, 3502 using a VDE protected subsystem within certain restrictions described in content control information received from creator 102 (e.g., not to exceed a certain number of copies, requiring certain payments by commercial content repository 200g to creator 102, requiring recipients of such permissions to meet certain reporting requirements related to content usage information, etc.). Such content control information may be stored at the repository installation and be applied to unencrypted content as it is transmitted from said repository in response to a user request, wherein said content is placed into a VDE container as a step in a secure process of communicating such content to a user. Redistribution permissions may, for example, permit a recipient of such permissions to create a

certain number of usage permissions within certain restrictions (e.g., only to members of the same household, business other organization, etc.). Repository 200g may, for example, be required by control information received from creator 102 to gather and report content usage information from all VDE participants to whom the repository has distributed permissions.

In this example, power user 112d may receive VDE protected content and redistribution permissions from commercial content repository 200g using the desktop computer 3504. Power user 112d may, for example, then use application software in conjunction with a VDE secure subsystem of such desktop computer 3504 in order to produce usage permissions for the desktop computer 3504, laptop computer 3506 and/or settop appliance 3508 (assuming redistribution permissions received from commercial content repository 200g permit such activities). If permitted by senior control information (for example, from creator 102 as may be modified by the repository 200g), power user 112d may add her own restrictions to such usage permissions (e.g., restricting certain members of power user 112d's household using the settop appliance to certain times of day, amounts of usage, etc. based on their user identification information). Power user 112d may then transmit such VDE protected content and usage permissions to the laptop computer 3506 and the settop appliance 3508 using VDE secure

communications techniques. In this case, power user 112d has redistributed permissions from the desktop computer 3504 to the settop appliance 3508 and the laptop computer 3506, and periodically the settop appliance and the laptop computer may be required to report content usage information to the desktop computer, which in turn may aggregate, and/or otherwise process, and report user usage information to the repository 200g.

User 112e and/or user 112f may receive usage permissions and VDE protected content from commercial content repository 200g. These users may be able to use such content in ways authorized by such usage information. In contrast to power user 112d, these users may not have requested and/or received redistribution permissions from the repository 200g. In this case, these users may still be able to transfer some or all usage rights to another electronic appliance 600, and/or they may be permitted to move some of their rights to another electronic appliance, if such transferring and/or moving is permitted by the usage permissions received from the repository 200g. In this case, such other appliances may be able to report usage information directly to the repository 200g.

In this example, corporate content repository 702 within corporation 700 may receive VDE protected content and

distribution permissions from creator 102. The distribution permissions received by corporate repository 702 may, for example, include restrictions that limit repository 702 to distribution activities within corporation 700.

The repository 702 may, for example, employ an automated system operating in conjunction with a VDE secure subsystem to receive and/or transmit VDE protected content, and/or redistribution and/or usage permissions. In this case, an automated system may, for example, rely on criteria defined by corporate policies, departmental policies, and/or user preferences to determine the character of permissions and/or content delivered to various parties (corporation groups and/or individuals) within corporation 700. Such a system may, for example, automatically produce redistribution permissions for a departmental content repository 704 in response to corporation 700 receiving distribution permissions from creator 102, and/or produce usage permissions for user 112j and/or user 112k.

The departmental repository 704 may automatically produce usage permissions for user 112g, user 112h, and/or user 112i. Such users may access content from the corporate content repository 702, yet receive usage permissions from departmental repository 704. In this case, user 112g, user 112h, and/or user 112i may receive usage permissions from departmental



repository 704 that incorporate departmental restrictions in addition to restrictions imposed by senior control information (in this example, from creator 102, as may be modified by corporate repository 702, as may be further modified by departmental repository 704, that reflect a VDE extended agreement incorporating commercial requirements of creator 102 and corporation 700 in addition to corporate and/or departmental policies and agreements with corporate personnel of corporation 700).

**Example—"Virtual Silicon Container"**

As discussed above, VDE in one example provides a "virtual silicon container" ("virtual black box") in that several different instances of SPU 500 may securely communicate together to provide an overall secure hardware environment that "virtually" exists at multiple locations and multiple electronic appliances 600. Figure 87 shows one model 3600 of a virtual silicon container. This virtual container model 3600 includes a content creator 102, a content distributor 106, one or more content redistributors 106a, one or more client administrators 700, one or more client users 3602, and one or more clearinghouses 116. Each of these various VDE participants has an electronic appliance 600 including a protected processing environment 655 that may comprise, at least in part, a silicon-based semiconductor hardware element secure processing unit

500. The various SPUs 500 each encapsulate a part of the virtual distribution environment, and thus, together form the virtual silicon container 3600.

#### **Example -- Testing/Examinations**

A scheduled SAT examination for high school seniors is prepared by the Educational Testing Service. The examination is placed in a VDE container for scheduled release on November 15, 1994 at 1:00 PM Eastern Standard time. The SAT prepares one copy of the container for each school or other location which will conduct the examination. The school or other location ("test site") will be provided with a distributed examination container securely containing the VDE identification for the "administration" electronic appliance and/or test administrator at the test site (such as, a testing organization) and a budget enabling, for example, the creation of 200 test VDE content containers. Each container created at the test site may have a permissions record containing secure identification information for each electronic appliance 600, on the test site's network, that will be used by a test taker, as well as, for example, an identification for the student who will take the test. The student identification could, for example, be in the form of a secure PIN password which is entered by the student prior to taking the test (a test monitor or administrator might verify the student

identification by entering in a PIN password). Of course, identification might take the form of automated voice recognition, handwriting recognition (signature recognition), fingerprint information, eye recognition, or similar one or more recognition forms which may be used either to confirm the identity of the test taker (and/or test monitor/administrator) and/or may be stored with the test results in a VDE container or the like or in a location pointed to by certain container information. This identification may be stored in encrypted or unencrypted form. If stored in encrypted or otherwise protected form, certain summary information, such as error correction information, may be stored with the identification information to authenticate the associated test as corresponding to the identification.

As the student takes the test using the computer terminal, the answers selected may be immediately securely stored (but may be changed by the student during the test session). Upon the completion of the test, the student's answers, along with a reference to the test, are securely stored in a VDE reporting object which is passed along to the network to the test administrator and the administration electronic appliance 600. All test objects for all students could then be placed in a VDE object 300 for communication to the Educational Testing Service, along with whatever other relevant information (which may also be secured by VDE 100), including summary information giving

average and mean scores, and other information that might be desirable to summarize and/or act as an authentication of the test objects sent. For example, certain information might be sent separately from each student summary object containing information which helps validate the object as an "authentic" test object.

Applying VDE to testing scenarios would largely eliminate cheating resulting from access to tests prior to testing (normally the tests are stolen from a teacher or test administrator). At ETS, individuals who have access to tests could be limited to only a portion of the test to eliminate the risk of the theft of a "whole" test. Employing VDE would also ensure against processing errors or other manipulation of test answers, since absolutely authentic test results can be archived for a reasonable period of time.

Overall, employing VDE 100 for electronic testing will enable the benefits of electronic testing to be provided without the substantial risks associated with electronic storing, communicating, and processing of test materials and testing results. Electronic testing will provide enormous efficiency improvements, significantly lowering the cost of conducting and processing tests by eliminating printing, shipping, handling, and human processing of tests. At the same time, electronic testing

will allow users to receive a copy (encrypted or unencrypted) of their test results when they leave the test sessions. This will help protect the tested individual against lost of, or improperly processed, test results. Electronic testing employing VDE 100 may also ensure that timing related variables of testing (for example precise starting, duration, and stopping times) can be reliably managed. And, of course, proper use of VDE 100 for the testing process can prevent improper access to test contents prior to testing and ensure that test taking is properly audited and authenticated, that is which person took which test, at which time, on which electronic appliance, at which location. Retesting due to lost, stolen, improperly timed, or other variables can be avoided or eliminated.

VDE assisted testing may, of course, be employed for many different applications including secure identification of individuals for security/authentication purposes, for employment (e.g. applying for jobs) applications, and for a full range of evaluation testing. For example, an airline pilot, or a truck, train, or bus driver might take a test immediately prior to departure or during travel, with the test evaluating alertness to test for fatigue, drug use, etc. A certain test may have a different order and/or combination of test activities each time, or each group of times, the test is taken. The test or a master test might be stored in a VDE container (the order of, and which, test

questions might be determined by a process executed securely within an PPE 650). The test responses may be encrypted as they occur and either locally stored for aggregated (or other test result) transmission or dynamically transmitted (for example, to a central test administration computer). If the test taker "flunks" the test, perhaps he or she is then prevented from operating the vehicle, either by a local PPE 650 issuing control instructions to that effect on some portion of the vehicle's electronic control system or a local PPE failing to decrypt or otherwise provide certain key information required for vehicle operation.

#### **Example -- Appliance Rental**

Through use of the present invention, electronic appliances can be "leased" or otherwise provided to customers who, rather than purchasing a given appliance for unlimited usage, may acquire the appliance (such as a VCR, television, microwave oven, etc.) and be charged according to one or more aspects of use. For example, the charge for a microwave might be for each time it is used to prepare an item and/or for the duration of time used. A telephone jack could be attached, either consistently or periodically, to an inexpensive modem operatively attached or within the microwave (the modem might alternatively be located at a location which services a plurality of items and/or functions -- such as burglar alarm, light and/or heat control). Alternatively,

such appliances may make use of a network formed by the power cables in a building to transmit and receive signals.

At a periodic interval, usage information (in summary form and/or detailed) could be automatically sent to a remote information utility that collects information on appliance usage (the utility might service a certain brand, a certain type of appliance, and/or a collection of brands and/or types). The usage information would be sent in VDE form (e.g. as a VDE object 300). The information utility might then distribute information to financial clearinghouse(s) if it did not itself perform the billing function, or the information "belonging" to each appliance manufacturer and/or lessor (retailer) might be sent to them or to their agents. In this way a new industry would be enabled of leased usage of appliances where the leases might be analogous to car leasing.

With VDE installed, appliances could also be managed by secure identification (PIN, voice or signature recognition, etc.). This might be required each time a unit is used, or on some periodic basis. Failure to use the secure identification or use it on a timely basis could disable an appliance if a PPE 650 issued one or more instructions (or failed to decrypt or otherwise provide certain information critical to appliance operation) that prevented use of a portion or all of the appliance's functions.

This feature would greatly reduce the desirability of stealing an electronic appliance. A further, allied use of VDE is the "registration" of a VDE secure subsystem in a given appliance with a VDE secure subsystem at some control location in a home or business. This control location might also be responsible for VDE remote communications and/or centralized administration (including, for example, restricting your children from viewing R rated movies either on television or videocassettes through the recognition of data indicating that a given movie, song, channel, game, etc. was R rated and allowing a parent to restrict viewing or listening). Such a control location may, for example, also gather information on consumption of water, gas, electricity, telephone usage, etc. (either through use of PPEs 650 integrated in control means for measuring and/or controlling such consumption, or through one or more signals generated by non-VDE systems and delivered to a VDE secure subsystem, for example, for processing, usage control (e.g. usage limiting), and/or billing), transmit such information to one or more utilities, pay for such consumption using VDE secured electronic currency and/or credit, etc.

In addition, one or more budgets for usage could be managed by VDE which would prevent improper, excessive use of a certain, leased appliance, that might, for example lead to failure of the appliance, such as making far more copies using a



photocopier than specified by the duty cycle. Such improper use could result in a message, for example on a display panel or television screen, or in the form of a communication from a central clearinghouse, that the user should upgrade to a more robust model.

While the invention has been described in connection with what is presently considered to be the most practical and preferred embodiment, it is to be understood that the invention is not to be limited to the disclosed embodiment, but on the contrary, is intended to cover various modifications and equivalent arrangements included within the spirit and scope of the appended claims.

**WE CLAIM:****1. A method for secure content delivery including:**

- a) encapsulating digital information within one or more digital containers;
- b) encrypting at least one portion of said digital information;
- c) associating at least partially secure control information for managing interaction with said encrypted digital information and/or the digital container;
- d) delivering one or more of said one or more digital containers to a digital information user;
- e) employing a protected processing environment for securely controlling decryption of at least a portion of said digital information.

**2. A system for secure content delivery including:**

encrypting means for encrypting at least one portion of digital information;

container processing means for encapsulating digital information within one or more digital containers and for associating at least partially secure control information for managing interaction with said encrypted digital information;

delivery means for delivering one or more of said one or more digital containers to a digital information user; and  
at least one protected processing environment for securely controlling decryption of at least a portion of said digital information.

3. A method for secure digital information delivery characterized by the steps of: (a) encrypting at least a portion of said digital information through the use of a first at least one VDE node, (b) creating and encrypting, through the use of said first at least one VDE node, control information to control use of at least a portion of said digital information by plural, users, (c) securely providing said control information to said plural users, and (d) employing at least one VDE node different from said first at least one VDE node to process at least portions of said control information and to control use of said encrypted digital information by said users.

4. A system for secure digital information delivery characterized by:

a first at least one VDE node for encrypting at least a portion of said digital information,

means for creating and encrypting, through the use of said first at least one VDE node, control information to control use of at least a portion of said digital information by plural, users,

means for securely providing said control information to said plural users, and

at least one VDE node different from said first at least one VDE node for processing at least portions of said control information and to control use of said encrypted digital information by said users.

5. A method for secure content delivery wherein at least partially encrypted content is encapsulated within at least one digital container and the digital container is delivered to a digital information user, the method characterized by the steps of:

associating, with the encapsulated content and/or the digital container, at least partially secure control information for managing interaction with the container and/or the content; and

employing a protected processing environment for securely controlling decryption of at least a portion of the encrypted content based at least in part on the control information.

6. A system for secure content delivery wherein at least partially encrypted content is encapsulated within at least one digital container and the digital container is delivered to a digital information user, the system characterized by:

a data structure that associates, with the encapsulated content and/or the digital container, at least partially secure

control information for managing interaction with the information; and

a protected processing environment for securely controlling decryption of at least a portion of the encrypted content based at least in part on the control information.

7. A method for secure digital information delivery characterized by the steps of: (a) encrypting at least a portion of said digital information, (b) associating protected control information to at least a portion of said digital information, and c) providing at least a portion of said encrypted digital information to a first user and at least in part controlling use of at least a portion of said encrypted digital information through the use of at least a portion of said protected control information, wherein said first user further provides at least one of (a) a copy of said at least a portion of said encrypted digital information , or (b) said encrypted digital information, to a second user, and wherein said second user associates further control information with said encrypted digital information for use in controlling use of said encrypted digital information by a third user.

8. A system for secure digital information delivery characterized by:

means for encrypting at least a portion of said digital information,

means for associating protected control information to at least a portion of said digital information,

means for providing at least a portion of said encrypted digital information to a first user

means for at least in part controlling use of at least a portion of said encrypted digital information through the use of at least a portion of said protected control information,

means for allowing the first user to provide at least one of (a) a copy of said at least a portion of said encrypted digital information, or (b) said encrypted digital information, to a second user, and

means for allowing said second user to associate further control information with said encrypted digital information for use in controlling use of said encrypted digital information by a third user.

9. A method for secure digital transaction management including:

- a) encrypting digital information at a first location;
- b) enabling a first party to securely associate at least one control with said information for use in ensuring at least one consequence of use of said information;
- c) enabling one or more additional parties to securely associate at least one further control with said

information for use in ensuring at least one consequence of use of said information;

- d) distributing at least a portion of said information to a party other than the first and additional parties at a location different from the locations of the first and additional locations; and
- f) decrypting at least a portion of said information at said third location, and ensuring said consequences of use of said information.

10. A system for secure digital transaction management including interconnected structures for performing the following functions:

- a) encrypting digital information;
- b) enabling a first party to securely associate at least one control with said information for use in ensuring at least one consequence of use of said information;
- c) enabling one or more additional parties to securely associate at least one further control with said information for use in ensuring at least one additional consequence of use of said information;
- d) distributing at least a portion of said information to a further party; and
- e) decrypting at least a portion of said information; and
- f) securely ensuring said consequences.

11. A system for secure digital transaction management wherein digital information is encrypted by a first party at a first location and distributed, characterized by:

a first protected processing environment for enabling the first party to securely associate at least a first control with said information,

a further protected processing environment for enabling the further party to securely associate at least a further control with said information, and

a still further protected processing environment for decrypting at least a portion of said information while controlling at least one consequence of use of the information based at least in part on the first and further controls.

12. A method for secure digital transaction management wherein digital information is encrypted by a first party at a first location and distributed, characterized by the following steps:

enabling the first party to securely associate at least a first control with said information,

enabling a further party to securely associate at least a further control with said information, and

transmitting the first and further controls; and

decrypting at least a portion of said information while controlling at least one consequence at least in part on the transmitted controls.



13. A method for securely automating distributed electronic processes including:

- a) providing secure, interoperable, general purpose rights management processing means to multiple, parties;
- b) establishing secure process management controls for automatically, at least partially remotely, and securely supporting requirements related to electronic events;
- c) securely distributing process management controls to party sites;
- d) securely maintaining at least a portion of said process management controls under the control of party processing means at said party sites;
- e) automatically managing electronic processes at said party sites to enforce interests related to said electronic content.

14. A system for securely automating distributed electronic processes including:

interoperable rights management processing means disposed at multiple parties' sites;

control establishing means for establishing secure process management controls; for remotely, automatically, and securely supporting requirements related to electronic events; and for

securely distributing process management controls to party sites;

security means for securely maintaining at least a portion of said process management controls under the control of processing means at said party sites; and

managing means for automatically managing electronic processes at plural party sites to enforce interests related to said electronic events.

15. A method for automating distributed electronic processes using interoperable processors at multiple sites, characterized by the following steps:

securely distributing, to the processors, process management controls for automatically, and securely supporting requirements related to electronic events;

securely maintaining at least a portion of said process management controls under the control of the processors; and

automatically managing, in a distributed manner with the processors, electronic processes at the multiple sites to enforce interests related to electronic events.

16. A system for automating distributed electronic processes using interoperable processors at multiple sites, characterized by the following:

distributing means connected to the processors for securely distributing, to the processors, process management controls for remotely, automatically, and securely supporting requirements related to electronic events;

process control means for securely maintaining at least a portion of said process management controls under the control of the processors; and

management means for automatically managing, in a distributed manner with the processors, electronic processes at the multiple sites to enforce the interests related to the electronic events.

17. A method of securely enforcing a rights seniority system characterized by the steps of:

allowing a first user to create at least one control over electronic content; and

allowing a second user to contribute at least one further control over electronic content and/or alter the control in place, the second control being subject to the first control.

18. A system for securely enforcing a rights seniority system characterized by:

a first secure environment for allowing a first user to contribute at least one control over electronic content; and

a second secure environment for allowing a second user to contribute at least one further control over electronic content and/or alter the control in place, the second control being subject to the first control.

19. A method of securely enforcing a rights seniority system characterized by the step of allowing a first user to create at least one electronic control that at least in part dictates the rights a second user has to create further electronic controls over the use of and/or access to electronic content.

20. A system for securely enforcing a rights seniority system characterized by at least one means for allowing a first user to create at least one electronic control that at least in part dictates the rights a second user has to create further electronic controls over the use of and/or access to electronic content.

21. A method for employing protected processing environments including:

- a) distributing interoperable protected processing environments to plural parties;
- b) providing a first interoperable protected processing environment for use by a first party to enable said party to (a) encrypt digital information, and (b)

create control information for managing at least one aspect of use of said digital information;

- c) encrypting said digital information in response to one or more instructions from said first party;
- d) making said digital information available to a second party;
- e) through the use of a second interoperable protected processing environment, satisfying requirements enforced by said control information and allowing said second party to use at least a portion of said digital information;
- f) through the use of said second interoperable protected processing environment securely reporting information reflecting at least one aspect of said second party use of said digital information.

22. A system for employing protected processing environments including:

interoperable protected processing environments distributed to plural parties, including a first interoperable protected processing environment for use by a first party to enable said party to (a) encrypt digital information, and (b) create control information for managing at least one aspect of use of said digital information, and further including a second interoperable protected processing environment;

means for encrypting said digital information in response to one or more instructions from said first party, and for making said digital information available to a second party;

means for a second interoperable protected processing environment to satisfy requirements enforced by said control information and to allow said second party to use at least a portion of said digital information; and to securely report information reflecting at least one aspect of said second party's use of said digital information.

23. A method for employing protected processing environments distributed to plural parties characterized by the following steps:

using a first protected processing environment to encrypt digital information, and control information specifying requirements for managing at least one aspect of use of said digital information;

using a second protected processing environment interoperable with the first protected processing environment to enforce the requirement specified by said control information and conditionally allowing use of at least a portion of said digital information; and

using the second protected processing environment to report information reflecting at least one aspect of use of said digital information.

24. A system for employing protected processing environments distributed to plural parties characterized by:

a first protected processing environment to encrypt digital information, and for handling control information specifying requirements for managing at least one aspect of use of said digital information;

a second protected processing environment interoperable with the first protected processing environment for enforcing at least one requirement specified by said control information and conditionally allowing use of at least a portion of said digital information; and for reporting information reflecting at least one aspect of use of said digital information.

25. A secure network architecture comprising multiple cooperating interconnected nodes having protected processing environments, at least a portion of said nodes being able to intercommunicate, characterized in that VDE-protected information can be moved from a source node to a destination node and processed at least in part by the destination node.

26. In a secure network architecture comprising multiple cooperating interconnected nodes having protected processing environments, the nodes being able to intercommunicate, a method comprising the step of moving VDE-protected

information from a source node to a destination node and processed at least in part by the destination node.

27. A secure local area network topology comprising multiple cooperating interconnected nodes, characterized in that at least some of the nodes comprise network workstations with software defining protected processing environments, and at least one of the nodes comprises a secure database server that provides information in protected form for processing by the network workstation protected processing environments.

28. In a secure local area network topology comprising multiple cooperating interconnected nodes, a method characterized by the steps of:

executing, at least in part with network workstations, software defining protected processing environments, and providing, with a secure database server, information for processing by the network workstation protected processing environments.

29. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that at least one of the plural nodes provides a protected processing environment that performs



a server function for a client comprising at least a portion of the protected processing environment of at least one other node.

30. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by providing, with at least one of the plural nodes, a protected processing environment; and performing, with the protected processing environment, a server function for a client comprising at least a portion of the protected processing environment of at least one other node.

31. A method for securely managing electronic negotiations related to electronic commerce value chain activities including:

- a) employing a protected processing environment by a first party to securely specify rules and/or controls for managing an electronic commerce process;
- b) securely making said specified rules and/or controls available to a second party;
- c) employing a protected processing environment different from said first protected processing environment to further securely specify rules and/or controls for managing at least one commerce process related to the common commercial interests of said first party and said second party;

- d) employing said protected processing environment to securely electronically negotiate at least one aggregate rules and/or controls set representing the electronic interests of both said first party and said second party;
- e) employing a protected processing environment to manage said electronic commerce process consistent with at least a portion of said aggregate rules and/or controls set.

32. A system for securely managing electronic negotiations related to electronic commerce value chain activities including:

a first party's protected processing environment for securely specifying rules and/or controls for managing an electronic commerce process, and for securely making said specified rules and/or controls available to a second party;

a second party's protected processing environment different from said first party's protected processing environment to further securely specify rules and/or controls including means for managing at least one commerce process related to the common commercial interests of said first party and said second party;

at least one of the first party's and the second party's protected processing environment for securely electronically negotiating at least one aggregate rules and/or controls set

representing the electronic interests of both said first party and said second party; and

at least one of the first party's and the second party's protected processing environment including means for managing said electronic commerce process consistent with said at least a portion of said aggregate rules and/or controls set.

33. A method for securely managing electronic negotiations related to electronic commerce value chain activities through use of first and second protected processing environment characterized by:

using the first environment, securely specifying rules and/or controls for managing an electronic commerce process;

using the second environment, further securely specifying rules and/or controls for managing at least one commerce process related to the commercial interests of a first and a second party;

employing at least one of the first and second protected processing environments to securely electronically negotiate at least one aggregate rules and/or controls set representing the electronic interests of the first party and said second party; and

employing at least one of the first and second protected processing environment to manage said electronic commerce process consistent with at least a portion of said aggregate rules and controls set.

34. A system for securely managing electronic negotiations related to electronic commerce value chain activities through use of first and second protected processing environment characterized by:

the first environment including means for securely specifying rules for managing an electronic commerce process;

the second environment including means for further securely specify rules for managing at least one commerce process related to the commercial interests of first and second parties;

at least one of the first and second protected processing environments including means for securely electronically negotiating at least one aggregate rules set at least partially representing the electronic interests of said first party and said second party; and

at least one of the first and second protected processing environment including means for managing said electronic commerce process consistent with said at least a portion of said aggregate rules set.

35. A method for managing a distributed electronic commerce environment including:

- a) establishing a secure, certificate authority for authenticating a user identity for an electronic

commerce participant wherein said identity includes one or more user class parameters;

- b) certifying said user identity through the use of one or more certificates enabled by said certificate authority;
- c) controlling the use of distributed electronic information based at least in part on class parameter information included in such certified identity.

36. A system for securely managing a distributed electronic commerce environment including:

means for establishing a user identity for an electronic commerce participant wherein said identity includes one or more user class parameters;

a certificate authority for authenticating such user identity by certifying said user identity through the use of one or more certificates enabled by said certificate authority; and

means for controlling the use of distributed electronic information based at least in part on class parameter information included in such certified identity.

37. A method for securely managing a distributed electronic commerce environment to allow interaction with an electronic commerce participant having a user identity that is certified by a certificate authority, characterized by:

establishing a user identity;  
certifying the user identity and the user class parameter;  
and  
associating, with the user identity, at least one user class parameter, wherein said certified class parameter, at least in part, is used to control use of distributed electronic information.

38. A system for managing a distributed electronic commerce environment to allow interaction with an electronic commerce participant having a certified user identity, characterized by:

means for associating at least one user class parameter with an established user identity;

means for ascertaining the authenticity of the user identity and/or the user class parameter; and

means for controlling use of distributed electronic information based at least in part on said status.

39. A system as in claim 38 wherein the class parameter represents the user's age, and the controlling means includes means for controlling the use of distributed electronic information based on the user's age.

40. A method of securely establishing user identity through use of certificates, the method characterized by:

presenting an electronic token reflecting at least one user class characteristic;  
determining whether an electronic certificate authenticates the user class characteristic reflected by the token; and  
using the token as a basis for granting rights.

41. A system for identifying a user through use of certificates, the system characterized by:

means presenting an electronic token reflecting at least one user class characteristic;  
means for obtaining an electronic certificate;  
means for determining whether the electronic certificate authenticates the user class characteristic reflected by the token;  
and  
means for using the certified, authenticated token as a basis for granting rights.

42. A system for securely managing a distributed electronic commerce environment including:

means for identifying an electronic commerce participant by specifying at least one user category;  
means for authenticating such user identity; and  
means for controlling the use of distributed electronic information based at least in part on the user category.

43. A method for securely managing a distributed electronic commerce environment to allow interaction with an electronic commerce participant, characterized by:

establishing a user identity and an associated user class parameter; and

using the class parameter to, at least in part, control use of distributed electronic information.

44. A system for managing a distributed electronic commerce environment to allow interaction with an electronic commerce participant, characterized by:

means for associating at least one user class parameter with a user identity;

means for authenticating the user identity and/or the user class parameter; and

means for controlling use of distributed electronic information based at least in part on said status.

45. A system as in claim 44 wherein the class parameter represents the user's age, and the controlling means includes means for controlling the use of distributed electronic information based on the user's age.

46. A method of securely establishing user identity, the method characterized by:



presenting an electronic token reflecting at least one user class characteristic;  
determining the user class characteristic reflected by the token is authentic; and  
using the token as at least a partial basis for granting rights.

47. A system for securely establishing user identity characterized by:

means presenting an electronic token reflecting at least one user class characteristic;

authenticating the user class characteristic reflected by the token; and

means for using the authenticated token as a basis for granting rights.

48. A method of authenticating a user identity, the method characterized by:

receiving a certificate request and associated user identity;

and

issuing an electronic certificate for use in authenticating at least one user class characteristic associated with the user identity for granting rights based on the user class characteristic.

49. A system for authenticating user identity,  
characterized by:

means for receiving a certificate request and associated  
user identity; and

means for issuing an electronic certificate for use in  
authenticating at least one user class characteristic associated  
with the user identity for granting rights based on the user class  
characteristic.

50. A method of securely establishing user identity, the  
method characterized by:

receiving a certificate request; and

issuing an electronic certificate specifying at least one user  
class characteristic.

51. A system for securely establishing user identity  
through use of certificates, characterized by:

means for receiving a certificate request and associated  
user identity; and

means for issuing an electronic certificate specifying at  
least one user class characteristic.

52. A method or system of managing rights characterized in that a cryptographically signed token is used to certify membership in a class, the token is authenticated, and the class membership represented by the token is used as a basis for granting and/or withholding rights and/or permissions.

53. A method or system of managing rights characterized in that a cryptographically signed token is used to certify membership in a class, the status of such token is ascertained, and the class membership represented by the token is used as a basis for allowing a user presenting the token to create electronic rules.

54. A method or system of managing rights characterized in that a cryptographically signed token is used to certify membership in a class, the token is validated, and the class membership represented by the token is used as a basis for allowing a user presenting the token to exercise rights under electronic rules.

55. A method for enabling a distributed electronic commerce electronic agreement system including:

- a) enabling distributed, interoperable secure client protected processing environment nodes;

- b) establishing at least one system wide secure communications key;
- c) employing public key encryption for communications between plural client nodes;
- d) supporting the delivery of electronic control information by individual clients wherein said control information at least in part specifies their respective electronic commerce agreement rights;
- e) supporting at least one protected processing environment for determining the respective and/or collective rights of said clients by establishing one or more electronic agreements based at least in part on said secure delivery of electronic control information;
- f) employing a secure software container data control structure for ensuring persistent maintenance of the electronic rights of the clients;
- g) using secure software containers which provide for data structures that support rules and/or controls corresponding to electronic commerce model agreement enforcement.

56. A distributed electronic agreement system including:  
plural distributed, interoperable secure client protected processing environment nodes for supporting delivery of electronic control information by individual clients wherein said

control information at least in part specifies said client's respective electronic commerce model agreement rights, and for employing public key encryption and authentication for communications between said plural client nodes;

means coupled to said nodes for establishing at least one system wide secure communications key; and

at least one protected processing environment for:

- (a) determining the respective and/or collective rights of electronic commerce model clients by establishing one or more electronic agreements based at least in part on said secure delivery of electronic control information;
- (b) employing a secure software container data control structure for ensuring persistent maintenance of the electronic rights of commerce model clients; and
- (c) using secure software containers which provide for data structures that support controls corresponding to electronic commerce model agreement enforcement.

57. A method for enabling a distributed electronic commerce electronic agreement system including distributed, interoperable secure client protected processing environment nodes employing at least one system wide secure communications key, employing public key encryption and authentication for

communications between plural client nodes, and employing an certification authority for establishing client identity, the method characterized by:

supporting the , secure delivery of electronic commerce model agreement rights control information;

determining the respective and/or collective rights of electronic commerce model clients by establishing one or more electronic agreements based at least in part on said secure delivery of the electronic control information;

employing a secure software container data control structure for ensuring remote, persistent maintenance of the electronic rights of commerce model clients; and

using secure software containers which provide for data structures supporting rules and controls corresponding to electronic commerce model agreement enforcement.

58. A distributed electronic commerce electronic agreement system including:

distributed, interoperable secure client protected processing environment nodes employing at least one system wide secure communications key, employing public key encryption and authentication for communications between plural client nodes, employing an certification authority for establishing client identity, and supporting the, secure delivery of electronic commerce model agreement rights control information;

means disposed in at least one node for determining the respective and/or collective rights of electronic commerce model clients by establishing one or more electronic agreements based at least in part on said secure delivery of the electronic control information; and

means disposed in at least one node for employing a secure software container data control structure for ensuring remote, persistent maintenance of the electronic rights of commerce model clients, and for using secure software containers which provide for data structures supporting rules and controls corresponding to electronic commerce model agreement enforcement.

59. A method of securely handling electronic currency characterized by the following steps:

packaging electronic currency within a software container,  
and  
delivering the software container as payment for goods or services.

60. A system for securely handling electronic currency characterized by:

means for packaging electronic currency within a software container, and

means for delivering the software container as payment for goods or services.

61. A method or system for managing rights within an organization characterized in that electronic containers are distributed within the organization, the electronic containers having controls associated therewith, the controls enforcing, at least in part, an organizational hierarchy relating to the use of the containers and/or the contents thereof.

62. A method of organizational rights management characterized by the steps of:

distributing an electronic container within an organization and

restricting usage, access and/or further distribution of the electronic container or the contents thereof within or outside of the organization based on electronic controls associated with the electronic container.

63. A system for organizational rights management characterized by:

means for distributing an electronic container and

means for restricting usage, access and/or further distribution of the electronic container or the contents thereof



within or outside of the organization based on electronic controls associated with the electronic container.

64. A method of organizational rights management characterized by the steps of:

distributing electronic containers within an organization,  
and

using the electronic containers, at least in part, to  
administer content usage by persons within the organization.

65. A system for organizational rights management characterized by:

means for distributing electronic containers within an  
organization, and

means for using the electronic containers, at least in part,  
to administer content usage by persons within the organization.

66. A method of organizational rights management characterized by the steps of:

distributing electronic containers within an organization,  
and

using the electronic containers, at least in part, to  
administer use of money within the organization.

67. A system for organizational rights management characterized by electronic containers distributed within an

organization for, at least in part, administering use of money within the organization.

68. A method of organizational rights management characterized by the steps of:

distributing protected processing environments within an organization, and

using the environments to, at least in part, to administer content usage by persons within the organization.

69. A system for organizational rights management characterized by protected processing environments distributed within an organization, for, at least in part, administering content usage within the organization.

70. A method of organizational rights management characterized by the steps of:

distributing protected processing environments within an organization, and

using the processing environments to, at least in part, to administer use of money by persons within the organization.

71. A system for organizational rights management characterized by plural protected processing environments

distributed within an organization for, at least in part,  
administering use of money within the organization.

72. A rights management appliance including:

a user input device,

a user display device,

at least one processor, and

at least one element defining a protected processing  
environment,

characterized in that the protected processing environment  
stores and uses permissions, methods, keys, programs and/or  
other information to electronically manage rights.

73. In a rights management appliance including:

a user input device,

a user display device,

at least one processor, and

at least one element defining a protected processing  
environment,

a method of operating the appliance characterized by the  
step of storing and using permissions, methods, keys, programs  
and/or other information to electronically manage rights.

74. A rights management appliance including at least one  
processor element at least in part defining a protected processing

environment, characterized in that the protected processing environment stores and uses permissions, methods, keys, programs and/or other information to electronically manage rights.

75. In a rights management appliance including at least one processor element at least in part defining a protected processing environment, a method comprising storing and using permissions, methods, keys, programs and/or other information to electronically manage rights.

76. A method of electronically storing information in a repository and distributing it on request, characterized in that the information is protected by associating electronic controls with the information, the electronic controls serving to enforce rights in the information.

77. A system for electronically storing information in a repository and distributing it on request, characterized by means for protecting information by associating electronic controls with the information, and further including means for using the electronic controls to enforce rights in the information.

78. A self-protecting electronic container comprising:  
an electronic container structure for containing digital  
information, and  
an electronic protection mechanism that protects or  
destroys the digital information in the event of tampering.

79. A method for a self-protecting electronic container  
comprising an electronic container structure for containing  
digital information, the method characterized by detecting an  
attempt at tampering and protecting or destroying the digital  
information in the said attempt.

80. A method of creating a self-protecting container system  
comprising:

providing at least one property,  
providing at least one attribute,  
providing at least one cryptographic key,  
providing at least one organizational structure relating the  
key to the property and/or attribute, and  
encapsulating the property, the attribute, the  
cryptographic key and the organizational structure, either  
explicitly or by reference, into an electronic container structure.

81. A self-protecting container system comprising:  
at least one property,

at least one attribute,  
at least one cryptographic key, and  
at least one organizational structure relating the key to the  
property and/or attribute.

82. A distributed electronic rights management system  
comprising plural nodes having protected processing  
environments, characterized in that each node can perform self-  
administering processes in response to electronic components.

83. A self-administering electronic component comprising:  
at least one method for performing at least a portion of a  
transaction,  
at least one method for generating audit information, and  
at least one method for securely receiving and interpreting  
administrative information.

84. A self-administering electronic component performing  
the following methods:  
at least one method for performing at least a portion of a  
transaction,  
at least one method for generating audit information, and  
at least one method for securely receiving and interpreting  
administrative information.

85. A self-describing electronic component defining at least one parameter and/or function, characterized in that the component includes at least one secure, descriptive portion used to create a human readable interface describing the parameter and/or function.

86. A method for processing a self-describing electronic component defining at least one parameter and/or function, characterized by the step of creating, at least in part with the component, a human readable interface describing the parameter and/or function based at least in part on at least one secure, descriptive portion of the component.

87. A method of performing an electronic transaction comprising:

- receiving plural components,
- electronically detecting the occurrence of an event,
- determining, based on the event, a subset of the plural received components to process the event, and
- performing, in response to the event, at least one electronic process based on the component subset.

88. A system for performing an electronic transaction comprising:

- means for receiving plural components,

means for electronically detecting the occurrence of an event,

means for determining, based on the event, a subset of the plural received components to process the event, and

means for performing, in response to the event, at least one electronic process based on the component subset.

89. A distributed transaction processing method characterized by the following steps:

receiving a first electronic component at a first location,  
receiving a second electronic component at a second location,

electronically detecting occurrence of an event at the first location,

processing, in response to the event detection, a first portion of an electronic transaction at the first location based at least in part on the first electronic component,

securely transmitting at least one signal from the first location to the second location, and

processing at least a second portion of the electronic transaction at the second location based at least in part on the second electronic component.



90. A method as in claim 89 further characterized by:

sending at least one signal from the second location to the first location, and

performing at least a third portion of the electronic transaction at the first location based at least in part on receipt of the signal from the second location.

91. A distributed transaction processing system characterized by:

means at a first location for receiving a first electronic component, for electronically detecting occurrence of an event, for processing, in response to the event detection, a first portion of an electronic transaction at the first location based at least in part on the first electronic component, and for securely transmitting at least one signal from the first location to a second location; and

means at the second location for receiving a second electronic component, and for processing at least a second portion of the electronic transaction based at least in part on the second electronic component.

92. A system as in claim 91 further characterized by:

means at the second location for sending at least one signal from the second location to the first location, and

means at the first location for performing at least a third portion of the electronic transaction at the first location based at least in part on receipt of the signal from the second location.

93. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that each node can perform electronic processes in response to receipt and assembly of electronic components, and the node authenticates each of the electronic components before assembling them.

94. A distributed electronic rights management method comprising:

performing, with at least one protected processing environment, electronic processes in response to receipt and assembly of electronic components, and

authenticating, within the protected processing environment, each of the electronic components before assembling them.

95. A method as in claim 94 wherein the authenticating step includes the step of obtaining a corresponding certificate from a certifying authority.

96. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that each node can perform electronic processes in response to receipt and assembly of electronic components, and the node authenticates each of the electronic components by obtaining a corresponding certificate from a certifying authority.

97. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a certifying authority that issues certificates allowing each node to authenticate electronic components before assembling them to perform and/or control electronic rights management processes.

98. In a distributed electronic rights management system comprising plural nodes each having a protected processing environment, a method characterized by the step of issuing certificates allowing each node to authenticate electronic components before assembling them to perform and/or control electronic rights management processes.

99. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that said nodes enforce usage

and/or access controls and is capable of electronically obtaining compensation from a user and/or other processing of usage information for subsequent transfer to rights holders.

100. In a distributed electronic rights management system comprising plural nodes having a protected processing environment, a method characterized by the step of enforcing usage and/or access controls and electronically obtaining compensation from a user and/or other processing of usage information for subsequent transfer to rights holders.

101. A distributed electronic rights management system comprising plural nodes each having a protected processing environment, characterized in that each node enforces usage and/or access controls based on receipt of information from multiple other nodes.

102. A distributed electronic rights management method characterized by the step of enforcing, with a protected processing environment, usage and/or access controls based on receipt of information from multiple other nodes.

103. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that said nodes are capable of at

least temporarily extending electronic credit to an associated user for use in compensating rights holders.

104. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method of operating the environment characterized by the step of at least temporarily extending electronic credit to an associated user for use in compensating rights holders.

105. A distributed electronic rights management system comprising plural nodes each having a protected processing environment, characterized in that said nodes are capable of requesting and obtaining a user-specific electronic credit assurance from a clearinghouse before granting the user rights to access and/or use electronically protected information.

106. In a distributed electronic rights management system comprising plural nodes each having a protected processing environment, a method characterized by the step of requesting and obtaining a user-specific electronic credit assurance from a clearinghouse before granting the user rights to access and/or use electronically protected information.

107. A distributed electronic rights management system comprising plural nodes each having a protected processing environment, characterized in that each node is capable of performing and/or requesting an electronic debit or credit transaction as a condition to granting the user rights to access and/or use electronically protected information.

108. In a distributed electronic rights management system comprising plural nodes each having a protected processing environment, a method characterized by the step of performing and/or requesting an electronic debit or credit transaction as a condition to granting the user rights to access and/or use electronically protected information.

109. A distributed electronic rights management system comprising plural nodes each having a protected processing environment, characterized in that each node can maintain an audit trail of user activities for reporting to a centralized location, the centralized location analyzing the user activities based on the audit trail.

110. In a distributed electronic rights management system comprising plural nodes each having a protected processing environment, a method characterized by the steps of:

maintaining, a plural locations, audit trails of user activities for reporting to a centralized location, and analyzing, at the centralized location, the user activities based on the audit trail.

111. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that said node can monitor user activities and trigger the occurrence of unrelated events based on the user activities and/or the electronic controls that associate the user activities with the unrelated events.

112. A system as in claim 111 wherein the unrelated event is activation of an application program.

113. A system as in claim 111 wherein the unrelated event is use of a secure container.

114. A system as in claim 111 wherein the unrelated event is use of the protected processing environment.

115. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of monitoring user activities at said nodes, and triggering the occurrence of

unrelated events based on the user activities and electronic controls that associate the user activities with the unrelated events.

116. A method as in claim 115 wherein the unrelated event is at least one of:

- activation of an application program,
- use of a secure container, and
- use of the protected processing environment.

117. A method of compromising a distributed electronic rights management system comprising plural nodes having protected processing environments, characterized by the following steps:

- exposing a certification private key to allow a person to pass a challenge/response protocol,

- defeating at least one of (a) an initialization challenge/response security, and/or (b) exposing external communication keys,

- creating a processing environment based at least in part on the above-mentioned steps, and

- participating in distributed rights management using the processing environment.



118. A processing environment for compromising a distributed electronic rights management system comprising plural nodes having protected processing environments, characterized by the following:

means including an exposed certification private key to pass a challenge/response protocol,

means for defeating at least one of (a) an initialization challenge/response security, and/or (b) exposing external communication keys, and

means for participating in distributed rights management.

119. A method of compromising a distributed electronic rights management system comprising plural nodes having protected processing environments, characterized by the step of compromising the permissions record of an electronic container and using the compromised permissions record to access and/or use electronic information.

120. A system for compromising a distributed electronic rights management system comprising plural nodes having protected processing environments, characterized by means for using a compromised permissions record of an electronic container for accessing and/or using electronic information.

121. A method of tampering with a protected processing environment characterized by the steps of:

discovering at least one system-wide key, and  
using the key to obtain access to content and/or  
administrative information without authorization.

122. An arrangement including means for using at least one compromised system-wide key to decrypt and compromise content and/or administrative information of a protected processing environment without authorization.

123. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that said nodes can electronically fingerprint content before releasing it in unprotected form.

124. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by performing, in at least one of the nodes, the step of electronically fingerprinting content before releasing it in unprotected form.

125. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that said nodes can embed,

within the electronic content, an electronic fingerprint containing specified information identifying a content rights holder and/or an indication of origin before including the content in an electronic container or allowing access to such content.

126. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of embedding, within electronic content, an electronic fingerprint containing specified information, including information identifying a content rights holder and/or an indication of origin before including the content in an electronic container or allowing access to such content.

127. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system includes one or more usage clearinghouses that receive usage information from one or more of the plural nodes.

128. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of receiving, with a usage clearinghouse, usage information from one or more of said plural nodes.

129. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system includes one or more financial clearinghouses that receive financial information relating to the use of or access to content from one or more of nodes.

130. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of receiving, with one or more financial clearinghouses, financial information from one or more of the plural nodes.

131. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system includes one or more analysis clearinghouses that receive information from one or more of the plural nodes and analyzes the received information.

132. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of receiving, with one or more analysis clearinghouses, information from one

or more of the plural nodes and analyzing the received information.

133. A method of processing information pertaining to the use of or access to electronic content wherein such information is received from one or more nodes having protected processing environments.

134. A method of providing credit for interaction with content to a protected processing environment node.

135. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system includes one or more clearinghouses that transmits rights and/or permissioning information to one or more of the plural nodes.

136. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of transmitting rights and/or permissioning information from a clearinghouse to one or more of the plural nodes.

137. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system includes one or more clearinghouses that periodically transmit cryptographic material to one or more of said nodes, the cryptographic material renewing and/or replacing expiring cryptographic material.

138. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the step of periodically transmitting cryptographic material from one or more clearinghouses to one more of said nodes, the cryptographic material renewing and/or replacing expiring cryptographic material.

139. A secure electronic container characterized in that the container contains electronic controls for controlling the use of and/or access to electronic content that is external to the container.

140. A method comprising:  
accessing electronic controls within a secure electronic container; and

using the controls for at least in part controlling the use of and/or access to electronic content that is external to the container.

141. A secure electronic container characterized in that the container contains electronic controls for controlling, at least in part, the use of and/or access to distributed electronic content.

142. A method comprising:

accessing electronic controls within a secure electronic container; and

using the controls for controlling, at least in part, the use of and/or access to distributed electronic content.

143. A secure electronic container characterized in that the container contains electronic controls that cause electronic content to expire on a time-dependent basis.

144. A method for processing a secure electronic container including the step of causing, at least in part based on electronic controls within the container, electronic content to expire on a time-dependent basis.

145. A method of metering use of and/or access to electronic information characterized by the step of maintaining a bitmap meter data structure including data partitions that subdivide the metering information by time and/or subject matter.

146. A system for metering use of and/or access to electronic information characterized by means for maintaining a bitmap meter data structure including data partitions that subdivide the metering information by time and/or subject matter.

147. A distributed electronic rights management system comprising plural nodes having protected processing environments, characterized in that the system permits at least some of the nodes to securely describe permitted uses of electronic content and securely enforces said description.

148. In a distributed electronic rights management system comprising plural nodes having protected processing environments, a method characterized by the steps of permitting at least some of the nodes to securely describe permitted uses of electronic content, and securely enforcing said description.



149. A document management system comprising one or more electronic appliances containing one or more secure processing units and one or more secure databases operatively connected to at least one of said secure processing units, said system further including protected usage control information wherein (a) at least a portion of said control information is securely stored within one or more of said secure databases, and (b) at least a portion of said control information governs the production of usage information, at least a portion of which usage information is reported to one or more parties.

150. In a document management system comprising one or more electronic appliances containing one or more secure processing units and one or more secure databases operatively connected to at least one of said secure processing units, a method for processing protected usage control information including the steps of securely storing at least a portion of said control information within one or more of said secure databases, and (b) based at least in part on said control information, governing the production of usage information and the reporting of at least a portion of said usage information to one or more parties.

151. A document management system comprising plural electronic appliances containing protected processing

environments and one or more secure databases operatively connected to at least one of said protected processing environments, said system further including protected usage control information, wherein (a) at least a portion of said control information is securely stored within one or more of said secure databases, and (b) at least a portion of said control information governs the production of usage information and the reporting of at least a portion of said usage information to one or more parties.

152. In a document management system comprising plural electronic appliances containing protected processing environments and one or more secure databases operatively connected to at least one of said protected processing environments, a method of handling usage control information including the steps of (a) securely storing at least a portion of said control information within one or more of said secure databases, and (b) governing, based on at least a portion of said control information, the production of usage information and the reporting of at least a portion of said usage information to one or more parties.

153. An electronic contract system comprising electronic appliances containing one or more secure processing units and one or more secure databases operatively connected to at least

one of the secure processing units, said system furthering including means for enabling plural parties to enter into an electronic arrangement, at least one of said databases containing secure control information for managing at least a portion of a plural party electronic arrangement.

154. In an electronic contract system comprising plural electronic appliances containing one or more secure processing units and one or more secure databases operatively connected to at least one of the secure processing units, a method characterized by the steps of enabling plural parties to enter into to an electronic arrangement, and using secure control information contained by at least one of said databases for managing at least a portion of a plural party electronic arrangement.

155. An electronic appliance arrangement containing at least one secure processing unit and at least one secure database operatively connected to at least one of said secure processing unit(s), said arrangement including means to monitor usage of at least one aspect of appliance usage and control said usage based at least in part upon protected appliance usage control information.

156. In an electronic appliance arrangement containing at least one secure processing unit and at least one secure database operatively connected to at least one of said secure processing unit(s), a method characterized by the steps of monitoring usage of at least one aspect of appliance usage and controlling said usage based at least in part upon protected appliance usage control information.

157. An electronic appliance arrangement containing a protected processing environment and at least one secure database operatively connected to said protected processing environment, said arrangement including means to monitor usage of at least one aspect of an amount of appliance usage and control said usage based at least in part upon protected appliance usage control information processed at least in part through use of said protected processing environment.

158. In an electronic appliance arrangement containing a protected processing environment and at least one secure database operatively connected to said protected processing environment, a method characterized by the steps of monitoring usage of at least one aspect of appliance usage and controlling said usage based at least in part upon protected appliance usage control information processed at least in part through use of said protected processing environment.

159. An electronic appliance arrangement containing one or more CPUs wherein at least one of the CPUs incorporates an integrated secure processing unit, said arrangement storing protected appliance usage control information designed to be securely processed by said integrated secure processing unit.

160. In an electronic appliance arrangement containing one or more CPUs wherein at least one of the CPUs incorporates an integrated secure processing unit, a method including the step of storing and securely processing protected modular component appliance usage control information with said integrated secure processing unit.

161. An electronic appliance arrangement containing at least one first secure processing unit and one or more video controllers where at least one of the video controllers incorporates at least one second secure processing unit, said arrangement storing protected video function control information designed to be securely processed by said incorporated secure processing unit(s).

162. In an electronic appliance arrangement containing at least one first secure processing unit and one or more video controllers where at least one of the video controllers incorporates at least one second secure processing unit, the

method characterized by the step of storing protected video function control information designed to be securely processed by said incorporated secure processing unit(s).

163. An electronic appliance arrangement containing one or more video controllers where at least one of the video controllers incorporates at least one secure processing unit, said arrangement storing protected video function control information designed to be securely processed by said incorporated secure processing unit(s), wherein at least a portion of said video function control information is stored within a secure database operatively connected to at least one of said at least one secure processing units.

164. In an electronic appliance arrangement containing one or more video controllers where at least one of the video controllers incorporates at least one secure processing unit, a method including the steps of storing protected video function control information designed to be securely processed by said incorporated secure processing unit(s), within a database operatively connected to at least one of said at least one secure processing units.

165. An electronic appliance arrangement containing one or more video controllers and at least one secure processing unit,

said arrangement storing component, modular protected video function control information designed to be securely processed by said secure processing unit(s), wherein at least a portion of said video function control information is stored within a secure database operatively connected to at least one of said at least one secure processing unit(s).

166. An electronic appliance arrangement containing one or more video controllers and at least one secure processing unit, a method including the step of storing component, modular protected video function control information designed to be securely processed by said secure processing unit(s), within a secure database operatively connected to at least one of said at least one secure processing unit(s).

167. An electronic appliance arrangement containing at least one secure processing unit and one or more network communications means where at least one of the network communications means incorporates at least one further secure processing unit, said arrangement storing protected networking control information designed to be processed by said incorporated secure processing unit(s).

168. In an electronic appliance arrangement containing at least one secure processing unit and one or more network

communications means, a method characterized by the steps of incorporating, within at least one of the network communications means, at least one further secure processing unit, storing networking control information at least in part within said incorporated secure processing unit(s), and securely processing said protected networking control information with said secure processing unit(s).

169. An electronic appliance arrangement containing one or more modems where at least one of the modems incorporates at least one secure processing unit, said arrangement storing modular, component protected modem control information designed to be securely processed by said incorporated secure processing unit(s).

170. In an electronic appliance arrangement containing one or more modems where at least one of the modems incorporates at least one secure processing unit, a method characterized by the step of storing and securely processing modular, component protected modem control information with said incorporated secure processing unit(s).

171. An electronic appliance arrangement containing at least one secure processing unit and one or more modems where at least one of the modems includes at least one further secure



processing unit, said arrangement storing protected modem control information designed to be securely processed by said included secure processing unit(s).

172. In an electronic appliance arrangement containing at least one secure processing unit and one or more modems where at least one of the modems includes at least one further secure processing unit, a method including the step of storing and securely processing protected modem control information within said included secure processing unit(s).

173. An electronic appliance arrangement containing at least one secure processing unit and one or more CD-ROM devices where at least one of the CD-ROM devices incorporates at least one further secure processing unit, said arrangement storing protected CD-ROM control information designed to be securely processed by said incorporated secure processing unit(s).

174. In an electronic appliance arrangement containing at least one secure processing unit and one or more CD-ROM devices where at least one of the CD-ROM devices incorporates at least one further secure processing unit, a method characterized by the step of storing and securely processing protected CD-ROM

control information within said incorporated secure processing unit(s).

175. An electronic appliance arrangement containing one or more network communications means where at least one of the network communications means incorporates at least one secure processing unit, said arrangement storing modular, component, protected networking control information designed to be securely processed by said incorporated secure processing unit(s).

176. In an electronic appliance arrangement containing one or more network communications means where at least one of the network communications means incorporates at least one secure processing unit, a method characterized by the step of storing and securely processing protected networking control information with said incorporated secure processing unit(s).

177. A set-top controller arrangement containing a protected processing environment and a database operatively connected to said protected processing environment, said arrangement further containing control information for controlling usage of said controller based upon processing of at least a portion of said control information within said protected processing environment, wherein at least a portion of said control information is stored within said database.

178. In a set-top controller arrangement containing a protected processing environment and a database operatively connected to said protected processing environment, a method characterized by the step of: (a) using control information within the set-top controller arrangement for controlling usage of said controller based upon processing of at least a portion of said control information within said protected processing environment, and storing at least a portion of said control information within said database.

179. An electronic game arrangement containing a protected processing environment for controlling the use of electronic games, said arrangement including game usage control information, database means operatively connected to said protected processing environment for, at least in part, storing usage control information for regulating at least some aspect of use of at least a portion of at least one of said games, and traveling objects containing protected electronic game content.

180. In an electronic game arrangement containing a protected processing environment for controlling the use of electronic games, a method including the steps of:

(a) including game usage control information within a database means operatively connected to said protected processing environment; and

(b) regulating, at least in part with the stored usage control information, at least some aspect of use of at least a portion of at least one of said games.

181. A method as in claim 178 further including the step of regulating the use of traveling objects containing protected electronic game content.

182. An electronic game arrangement containing interoperable protected processing environments for controlling the use of interactive games, said arrangement including protected game usage control information, and database means operatively connected to said protected processing environments for, at least in part, storing game usage control information.

183. In an electronic game arrangement containing protected processing environments, a method comprising:

(a) storing, within a secure database means operatively connected to said protected processing environments protected game usage control information; and

(b) controlling the use of interactive games based at least in part on the storing game usage control information.

184. An electronic game arrangement containing interoperable protected processing environments for controlling

the use of games, said arrangement including component, modular, protected game usage control information, wherein at least a portion of said protected control information was provided independently by plural parties securing their respective rights in at least one electronic value chain.

185. In an electronic game arrangement containing interoperable protected processing environments for controlling the use of games, a method including the steps of:

(a) providing at least a portion of component, modular, protected game usage control information independently by plural parties; and

(b) using the control information at least in part to securing respective rights of said plural parties in at least one electronic value chain.

186. An electronic multimedia arrangement containing protected processing environments for controlling the use of multimedia, said arrangement including component, modular multimedia usage control information and database means operatively connected to said protected processing environments for, at least in part, storing multimedia usage control information.

187. In an electronic multimedia arrangement containing protected processing environments for controlling the use of multimedia, a method including the steps of storing multimedia usage control information within a database means operatively connected to said protected processing environments, and using the stored control information to control multimedia.

188. An electronic multimedia arrangement containing a protected processing environment for controlling the use of multimedia, said arrangement including multimedia usage control information, database means operatively connected to said protected processing environment for, at least in part, storing multimedia usage control information, and protected traveling objects containing distributed multimedia electronic content.

189. In an electronic multimedia arrangement containing a protected processing environment, a method characterized by the steps of storing multimedia usage control information within a database means operatively connected to said protected processing environment, and controlling, based at least in part on the stored information, protected traveling objects containing distributed multimedia electronic content.

190. An electronic multimedia arrangement containing interoperable protected processing environments for controlling the use of multimedia, said arrangement including component, modular, protected multimedia usage control information, wherein at least a portion of said protected control information was provided independently by plural parties securing their respective rights in at least one electronic value chain.

191. A system as in claim 188 further including a secure processing unit.

192. In an electronic multimedia arrangement containing protected processing environments, a method comprising providing at least a portion of component, modular, protected multimedia usage control information independently by plural parties securing their respective rights in at least one electronic value chain, and using the usage control information to control the use of multimedia.

193. A method as in claim 190 wherein the using step is performed at least in part within a secure processing unit.

194. An integrated circuit supporting multiple encryption algorithms comprising at least one microprocessor, memory, input/output means, at least one circuit for encrypting and/or

decrypting information and one or more software programs for use with at least one of the microprocessors to perform encryption and/or decryption functions.

195. In a secure integrated circuit supporting multiple encryption algorithms comprising at least one microprocessor, memory, input/output means, and providing a protected processing environment, a method characterized by executing at least a portion of one or more software programs with the microprocessor to perform encryption and/or decryption functions within the integrated circuit.

196. An integrated circuit comprising at least one microprocessor, memory, at least one real time clock, at least one random number generator, at least one circuit for encrypting and/or decrypting information and independently delivered and/or independently deliverable certified software.

197. An integrated circuit comprising at least one microprocessor, memory, input/output means, a tamper resistant barrier and at least a portion of a Rights Operating System.

198. An integrated circuit comprising at least one microprocessor, memory, input/output means, at least one real



time clock, a tamper resistant barrier and means for recording interruption of power to at least one of the real time clocks.

199. A method of distributing information characterized by the steps of compressing information, encrypting the compressed information at the first location, distributing the encrypted information to one or more second locations, using a tamper resistant integrated circuit to first decrypt and then decompress the information.

200. A system for distributing information characterized by:

- means for compressing information,
- means for encrypting the compressed information at the first location,
- means for distributing the encrypted information to one or more second locations, and
- means for using a tamper resistant integrated circuit to first decrypt and then decompress the information.

201. A method of securely managing distributed events characterized by the steps of providing secure event processing environments to one or more users, enabling a first user to specify control information for event management through the use of a first secure event processing environment, and managing

the processing of such an event through the use of a second secure event processing environment.

202. A system for securely managing distributed events characterized by:

a first secure event processing environment for enabling a first user to specify control information for event management, and

a second secure event processing environment interoperable with the first event processing environment for managing the processing of such an event.

203. A method for enabling electronic commerce chain of handling and control characterized by the step of a first and a second party independently specifying protected, modular component control information describing requirements related to the operation of an electronic commerce value chain.

204. A system for enabling electronic commerce chain of handling and control characterized by means for permitting a first and a second party to independently specify protected, modular component control information describing requirements related to the operation of an electronic commerce value chain of handling and control, and means for securely enforcing the requirements described by the control information.

205. A method for enabling electronic commerce characterized by the step of a first and a second party independently stipulating control information managing the use of digital information, wherein said first and said second party independently maintain persistent rights enforced by said control information as said digital information moves through a chain of handling and control.

206. A system for enabling electronic commerce including:  
means for allowing a first party to stipulate control information managing the use of digital information,  
means for allowing a second party to stipulate control information managing the use of the digital information, and  
chain of handling and control means for maintaining persistent rights enforced by said control information as said digital information moves from one location and/or process to another.

207. A method for secure maintenance of electronic rights comprising a first step of plural parties in a value chain independently and securely stipulating control information regarding their electronic rights, wherein said control information is used to enforce conditions related to the use of electronic information distributed in software containers.

208. A system for secure maintenance of electronic rights comprising:

means permitting plural parties in a value chain to independently and securely stipulates control information regarding their electronic rights, and

means for using said control information to enforce conditions related to the use of electronic information distributed in software containers.

209. A method for securely controlling the use of protected electronic content including the step of supporting modular separate control information arrangements for managing at least one event related to use of said content such that a user may select between separate control information arrangements for managing such at least one event.

210. A system for securely controlling the use of protected electronic content including modular separate control information arrangements for managing at least one event related to use of said content such that a user may select between separate control information arrangements for managing such at least one event.

211. A method employing separate, modular control structures for managing the use of encrypted digital information

characterized by the step of enabling commercial value chain participants to support plural relationships between two or more of: (1) content event triggering, (2) auditing, and (3) budgeting, control variables.

212. A system for employing separate, modular control structures for managing the use of encrypted digital information characterized by means for enabling commercial value chain participants to support plural relationships between two or more of: (1) content event triggering, (2) auditing, and (3) budgeting, control variables.

213. A method of chain of handling and control enabling a party not directly participating in an electronic value chain to contribute secure control information to enforce at least one control requirement, said method characterized by a first step of a first value chain participant stipulating control information associated with digital information and a second step wherein said not directly participating party independently and securely contributes secure control information for inclusion in an aggregate control information set including said associated control information, said aggregate control information at least in part managing conditions related to the use of at least a portion of said digital information by a second value chain participant.

214. A chain of handling and control system for enabling a party not directly participating in an electronic value chain to contribute secure control information to enforce at least one control requirement, said system characterized by:

means for allowing a first value chain participant to stipulate control information associated with digital information,

means for allowing the not directly participating party to independently and securely contribute secure control information for inclusion in an aggregate control information set including said associated control information,

and means responsive to said aggregate control information for at least in part managing conditions related to the use of at least a portion of said digital information by a second value chain participant.

215. A method of electronic commerce control information management for delegating the administration of certain rights held by a value chain party to a second value chain party characterized by the step of said first party stipulating secure control information describing at least a portion of their rights related to one or more chain of handling and control electronic events wherein said first party provides further control information authorizing said second party to administer some or all of said rights as an agent for said first party.

216. A system for electronic commerce control information management for delegating the administration of certain rights held by a value chain party to a second value chain party characterized by:

means for allowing said first party to stipulate secure control information describing at least a portion of their rights related to one or more chain of handling and control electronic events; and

means for allowing said first party to provide further control information authorizing said second party to administer some or all of said rights as an agent for said first party.

217. A method of governing taxation of commercial events resulting from electronic chain of handling and control characterized by a first step of distributing secure digital information to a user and specifying secure control information controlling at least one condition for use of said digital information and a second step of a government agency securely, independently contributing secure control information for automatically governing tax payments for said commercial events.

218. A system for governing taxation of commercial events resulting from electronic chain of handling and control characterized by:

means for distributing secure digital information to a user;  
means for specifying secure control information controlling  
at least one condition for use of said digital information; and  
means for allowing a government agency to securely,  
independently contribute secure control information for  
automatically governing tax payments for said commercial  
events.

219. A method of governing privacy rights related to  
electronic events characterized by a first step of a first party  
protecting digital information containing information descriptive  
of preventing a second party from at least one unauthorized use  
and a second step of specifying certain control information  
related to use of at least a portion of said protected digital  
information, wherein said control information enforces at least  
one right of said second party related to privacy and/or permitted  
use(s) of personal and/or proprietary information included in said  
protected digital information.

220. A system for governing privacy rights related to  
electronic events characterized by:

means for permitting a first party to protect digital  
information containing information descriptive of preventing a  
second party from at least one unauthorized use;



means for specifying certain control information related to use of at least a portion of said protected digital information; and

means for using the control information to enforce at least one right of said second party related to privacy and/or permitted use(s) of personal and/or proprietary information included in said protected digital information.

221. A method of governing privacy rights related to electronic events characterized by a first step of a first party protecting digital information from at least one unauthorized use and stipulating certain control information for establishing conditions for use of said protected information and a second step of a user of said digital information stipulating further control information regulating the reporting of information regarding said user's use of at least a portion of said digital information.

222. A system for governing privacy rights related to electronic events characterized by:

means for allowing a first party to protect digital information from at least one unauthorized use and for stipulating certain control information for establishing conditions for use of said protected information; and

means for allowing a user of said digital information to stipulate further control information regulating the reporting of

information regarding said user's use of at least a portion of said digital information.

223. A secure method for regulating electronic conduct and commerce characterized by a step of distributing interoperable protected processing environments and circulating amongst plural recipients of said protected processing environments software containers containing digital content and related content control information prepared for use by at least a portion of said protected processing environments, wherein said method includes the further step of regulating the use at least some of said digital content based, at least in part, on the secure processing of at least a portion of said control information through the use of at least one protected processing environment.

224. A secure system for regulating electronic conduct and commerce characterized by:

distributed interoperable protected processing environments,

means for circulating, amongst said protected processing environments, software containers containing digital content and related content control information prepared for use by at least a portion of said protected processing environments, and

means within at least some of the protected processing environments for regulating the use at least some of said digital

content based, at least in part, on the secure processing of at least a portion of said control information.

225. A method of electronic commerce networking for enabling a secure electronic retail environment characterized by the step of supplying user certified control information, smart cards, secure processing units, and retailing terminal arrangements networked together using VDE communication techniques and secure software containers.

226. An electronic commerce networking system for enabling a secure electronic retail environment characterized by:

- means for networking together smart cards, secure processing units, and retailing terminal arrangements; and
- means for making the smart cards, secure processing units, and retailing terminal arrangements interoperable with one another and with VDE communication techniques and secure software containers.

227. A method of enabling electronic commerce appliances for securely administering user rights in commerce activities characterized by the step of providing to users at least a portion of a VDE node contained within a physical device, said device being configured to be compatible with mating connectors in host

systems for supporting secure, interoperable transaction activity between plural parties.

228. A system for securely administering user rights in commerce activities comprising a physical device including at least a portion of a portable VDE node, said device being configured to be compatible with mating connectors in host systems for supporting secure, interoperable transaction activity between plural parties.

229. A method for enabling a programmable, electronic commerce environment characterized by the step of providing to multiple parties secure commerce nodes that securely process separate, modular component billing management methods, budgeting management methods, metering management methods, and related auditing management methods and further characterized by the step of supporting triggering of metering, auditing, billing, and budgeting methods in response to electronic commerce event activities.

230. A programmable, electronic commerce environment characterized by secure commerce nodes each including:  
means for securely processing separate, modular component billing management methods, budgeting management

methods, metering management methods, and related auditing management methods, and

means for supporting triggering of metering, auditing, billing, and budgeting methods in response to electronic commerce event activities.

231. An electronic commerce system including modular, standardized control components comprising electronic commerce event control instructions stipulated by commerce participants, and plural electronic appliances containing one or more secure processing units which process at least a portion of such commerce event control instructions, said system further containing one or more databases, operatively connected to at least one of the secure processing units, for at least in part securely storing at least a portion of such control instructions for use by said at least one secure processing unit.

232. In an electronic commerce system including modular, standardized control components comprising electronic commerce event control instructions stipulated by commerce participants, and plural electronic appliances containing one or more secure processing units which process at least a portion of such commerce event control instructions, a method characterized by the step of providing one or more secure databases, operatively connected to at least one of the secure processing units, and at

least in part securely storing, within the secure databases, at least a portion of such control instructions for use by said at least one secure processing unit.

233. A content distribution system comprising plural electronic appliances containing one or more interoperable secure processing units operatively connected to one or more databases for use with at least one of said secure processing units, said one or more databases containing (a) one or more decryption keys for use in decrypting distributed, encrypted digital information, and (b) encrypted audit information, said audit information reflecting at least one aspect of use of said distributed digital information

234. A content distribution method comprising:  
distributing plural electronic appliances containing one or more interoperable secure processing units  
operatively connecting the appliances to one or more databases,  
storing within said one or more databases one or more decryption keys,  
using the decryption keys for decrypting distributed, encrypted digital information, and  
storing within the one or more databases encrypted audit information, said audit information reflecting at least one aspect of use of said distributed digital information.

235. An electronic currency system comprising plural, electronic appliances containing (a) protected processing environments, (b) encrypted electronic currency and related secure control information configured so as to be useable by at least one of said protected processing environments, and (c) usage reporting means for securely communicating electronic currency usage related information from a first interoperable protected processing environment to a second interoperable protected processing environment.

236. An electronic currency method comprising:

distributing plural, electronic appliances containing (a) protected processing environments, (b) encrypted electronic currency and related secure control information configured so as to be useable by at least one of said protected processing environments, and

securely communicating electronic currency usage related information from a first interoperable protected processing environment to a second interoperable protected processing environment.

237. A method for electronic financial activities characterized by the steps of:

communicating digital containers containing financial information from a first interoperable secure node to a second interoperable secure node, communicating modular, standard control information to said second secure node to, at least in part, set the conditions for use of at least a portion of said financial information, reporting information related to said use to said first interoperable secure node.

238. A system for electronic financial activities characterized by:

means for communicating digital containers containing financial information from a first interoperable secure node to a second interoperable secure node,

means for communicating modular, standard control information to said second secure node,

means at the second node for, at least in part, setting the conditions for use of at least a portion of said financial information, and

means for reporting information related to said use from the second secure node to said first interoperable secure node.

239. A method for electronic currency management including:



communicating encrypted electronic currency from a first, interoperable secure user node to a second interoperable user node using at least one secure container, and

providing secure control information for use with said at least one secure container, said secure control information, at least in part, maintaining conditionally anonymous currency usage information.

240. A system for electronic currency management including:

means for communicating encrypted electronic currency from a first, interoperable secure user node to a second interoperable user node using at least one secure container, and

means for providing secure control information for use with said at least one secure container, said secure control information, at least in part, maintaining conditionally anonymous currency usage information.

241. A method for electronic financial activities management characterized by the steps of:

securely communicating from a first secure node to a second secure node financial information standardized control information for controlling the use of financial information used in a financial value chain,

securely communicating from said first secure node to a third secure node said financial information standardized control information for controlling the use of financial information used in a financial value chain,

securely communicating encrypted financial information from said second secure node to said third secure node, including communicating secure control information, processing said financial information at said third node at least in part through the use of secure control information supplied by said first and said second secure nodes, wherein said standardized control information is at least in part stored in a secure database contained within said third secure node.

242. A system for electronic financial activities management characterized by the steps of:

means coupled to a first and a second secure node for securely communicating from said first secure node to said second secure node financial information standardized control information for controlling the use of financial information used in a financial value chain,

means coupled between the first secure node and a third secure node for securely communicating from said first secure node to said third secure node said financial information standardized control information for controlling the use of financial information used in a financial value chain,

means coupled between the second and third nodes for securely communicating encrypted financial information from said second secure node to said third secure node, including communicating secure control information, and

means at the third node for processing said financial information at said third node at least in part through the use of secure control information supplied by said first and said second secure nodes, and

a secure database at the third node for at least in part storing said standardized control information.

243. A method of information management characterized by the steps of creating at least one smart object at a first location, protecting at least a portion of said smart object including protecting at least one rule and/or control assigned to said smart object, distributing said at least one smart object to at least one second location, securely processing at least a portion of the contents of said at least one smart object at said at least one second location in accordance with at least a portion of at least one said rule and/or control assigned to said smart object.

244. An information management system characterized by:

means for creating at least one smart object at a first location,

means for protecting at least a portion of said smart object including means for protecting at least one rule and/or control assigned to said smart object,

means for distributing said at least one smart object to at least one second location, and

means for securely processing at least a portion of the contents of said at least one smart object at said at least one second location in accordance with at least a portion of at least one said rule and/or control assigned to said smart object.

245. An object processing system comprising at least one secure object containing at least in part protected executable content and at least one at least in part protected rule and/or control associated with operations related to the execution of such content, and at least one secure execution environment for processing the executable content in accordance with at least a portion of at least one of said at least one associated rule and/or control.

246. An object processing method comprising:

providing at least one secure object containing at least in part protected executable content and at least one at least in part protected rule and/or control associated with operations related to the execution of such content,

processing, within at least one secure execution environment, the executable content in accordance with at least a portion of at least one of said at least one associated rule and/or control.

247. A rights distributed database environment including (a) means allowing one or more central authorities to establish control information for use of encrypted digital information, (b) interoperable database management systems at plural user sites for securely storing control information and audit information, (c) secure communication means for securely communicating control information and audit information between user sites, and (d) centralized database means for compiling and analyzing usage information from plural user sites.

248. Within a rights distributed database environment, a method characterized by the following steps:

establishing control information for use of encrypted digital information,

securely storing, within interoperable database management systems at plural user sites, control information and audit information,

securely communicating control information and audit information between user sites, and

compiling and analyzing usage information from plural user sites.

249. A method of distributed database searching characterized by the steps of creating at least one secure object containing search criteria, transmitting at least one such secure object to one or more second locations to perform database searches in accordance with at least one rule and/or control, processing at least one database search based at least in part on the search criteria within a secure object in accordance with at least a portion of at least one of the said at least one associated rule and/or control, storing database search results in the same and/or one or more new secure objects, and transmitting the secure object containing search results to the first location.

250. A method as in claim 247 further characterized by the additional step of associating at least one additional rule and/or control with the search results for establishing at least one condition related to the use of at least one portion of said search results.

251. A system for distributed database searching characterized by:

means for creating at least one secure object containing search criteria,

means for transmitting at least one such secure object to one or more second locations to perform database searches in accordance with at least one rule and/or control,

means for processing at least one database search based at least in part on the search criteria within a secure object in accordance with at least a portion of at least one of the said at least one associated rule and/or control,

means for storing database search results in the same and/or one or more new secure objects, and

means for transmitting the secure object containing search results to the first location.

252. A system as in claim 249 further characterized by means for associating at least one additional rule and/or control with the search results for establishing at least one condition related to the use of at least one portion of said search results.

253. A rights management system comprising protected information, at least two protected processing arrangements, and a rights management language that allows the expression of permitted operations and the consequences of performing such operations on at least a portion of the information processed at least in part by at least one of the protected processing arrangements.

254. A rights management method comprising:  
providing protected information for processing by at least two protected processing arrangements, and  
expressing, in a rights management language, permitted operations and the consequences of performing such operations on at least a portion of the information processed at least in part by at least one of the protected processing arrangements.

255. A method of protecting digital information characterized by the steps of encrypting at least a portion of the information, using a rights management language to describe the conditions related to use of the information, distributing at least a portion of such information and at least a portion of such rights language expressed conditions to one or more recipients, using an electronic appliance arrangement including at least one protected processing arrangement to securely govern at least a portion of the use of such information.

256. A system for protecting digital information characterized by:  
means for encrypting at least a portion of the information,  
means for using a rights management language to describe the conditions related to use of the information,



means for distributing at least a portion of such information and at least a portion of such rights language expressed conditions to one or more recipients, and

an electronic appliance arrangement including at least one protected processing arrangement for securely governing at least a portion of the use of such information.

257. A distributed digital information management system comprising software components, a rights management language for expressing processing relationships between two or more of the software components, protected processing means for at least a portion of the software components and at least a portion of the rights management expressions, means for protecting content, means for creating software objects that relate protected content to rights management expressions, and means for delivering protected content, rights management expressions, and such software objects from a providing location to a user's location.

258. A distributed digital information management method comprising:

expressing, in a rights management language, processing relationships between two or more of the software components,

processing, within at least one protected environment, at least a portion of the software components and at least a portion of the rights management expressions,

protecting content,  
creating software objects that relate protected content to  
rights management expressions, and  
delivering protected content, rights management  
expressions, and such software objects from a providing location  
to a user's location.

259. An authentication system comprising at least two electronic appliances, at least two digital certificates reflecting identity information encrypted using different certifying private keys where such certificates are stored in a first electronic appliance, communications means for transmitting and receiving signals between electronic appliances, means for determining compromised and/or expired certifying private keys operatively connected to a second electronic appliance, means for the second electronic appliance to request transmission of one of the digital certificates from the first electronic appliance based at least in part on such determination, and means operatively connected to such second electronic appliance for decrypting such certificate and determining such certificate's validity and/or the validity of identity information.

260. In a system comprising at least two electronic appliances, an authenticating method comprising:

issuing at least two digital certificates reflecting identification information, including the step of encrypting the two certificates using different certifying private keys, storing the certificates in a first electronic appliance, transmitting and receiving signals between electronic appliances, determining compromised and/or expired certifying private keys operatively connected to a second electronic appliance, requesting, with the second electronic appliance, transmission of one of the digital certificates from the first electronic appliance based at least in part on such determination, decrypting such certificate with the second electronic appliance, and determining such certificate's validity and/or the validity of identity information.

261. An authentication system comprising at least two electronic appliances, at least two digital certificates reflecting identify information encrypted using different certifying private keys where such certificates are stored in a first electronic appliance, communications means for transmitting and receiving signals between electronic appliances, means for a second electronic appliance to request transmission of one of the digital certificates from the first electronic appliance wherein the selection of which certificate is requested is based at least in part

on a random or pseudo-random number, means operatively connected to such second electronic appliance for decrypting such certificate and determining such certificate's validity and/or the validity of identity information.

262. In a system comprising at least two electronic appliances, an authenticating method comprising:

issuing at least two digital certificates reflecting identify information, including the step of encrypting the two digital certificates using different certifying private keys,

storing such certificates in a first electronic appliance, transmitting and receiving signals between electronic appliances,

requesting, with a second electronic appliance, transmission of one of the digital certificates from the first electronic appliance, including the step of selecting a certificate based at least in part on a random or pseudo-random number,

decrypting such certificate with the second electronic appliance; and

determining such certificate's validity and/or the validity of identity information.

263. A method of secure electronic mail characterized by the steps of creating at least one electronic message using an interoperable protected processing environment, encrypting at

least a portion of said at least one message, securely associating one or more sets of control information with one or more messages to set at least one condition for the use of said at least one message, communicating the protected electronic messages to one or more recipients having protected processing environments, securely communicating at least one set of the same or differing control information to each recipient, enabling recipients of both control information and protected messages to use message information at least in part in accordance with the conditions specified by the control information.

264. A system for secure electronic mail including multiple protected processing environments, the system characterized by:

a first protected processing environment for creating at least one electronic message, the first environment including means for encrypting at least a portion of said at least one message, means for securely associating one or more sets of control information with one or more messages to set at least one condition for the use of said at least one message, and means for communicating the protected electronic messages to one or more recipients having interoperable protected processing environments,

means for securely communicating at least one set of the same or differing control information to each recipient, and

means for enabling recipients of both control information and protected messages to use message information at least in part in accordance with the conditions specified by the control information.

265. A method of information management characterized by the steps of protecting content from unauthorized use, securely associating enabling control information with at least a portion of such protected content wherein such enabling control information incorporates information describing how the enabling control information may be redistributed, delivering at least a portion of the protected content to a first user, delivering such enabling control information to such first user, receiving a request to redistribute such enabling control information from such first user, using the description of how enabling control information may be redistributed to create new enabling control information where such new enabling control information may be the same or different than the enabling control information received by such first user, delivering the new enabling control information and/or protected information to a second user.

266. An information management system characterized by:

means for protecting content from unauthorized use,

means for securely associating enabling control information with at least a portion of such protected content, including means for incorporating enabling control information describing how the enabling control information may be redistributed,

means for delivering at least a portion of the protected content to a first user,

means for delivering such enabling control information to such first user,

means for receiving a request to redistribute such enabling control information from such first user,

means for using the description of how enabling control information may be redistributed to create new enabling control information where such new enabling control information may be the same or different than the enabling control information received by such first user, and

means for delivering the new enabling control information and/or protected information to a second user.

267. A method of controlling redistribution of distributed digital information including the steps of encrypting digital information, distributing said encrypted digital information from a first party to a second party, establishing control information regarding the redistribution of at least a portion of said encrypted digital information from said second party to at least one third

party, regulating the redistribution of said at least a portion of said encrypted digital information through the use of a protected processing environment processing said control information.

268. A system for controlling redistribution of distributed digital information including:

means for encrypting digital information,

means for distributing said encrypted digital information from a first party to at least one second party,

means for establishing control information regarding the redistribution of at least a portion of said encrypted digital information from said second party to at least one third party, and

a protected processing environment for processing said control information and for regulating the redistribution of said at least a portion of said encrypted digital information.

269. A method of controlling a robot characterized by the steps of creating instructions for one or more robots, creating a secure container incorporating such instructions, associating control information with such secure container, incorporating at least one secure processing unit into such one or more robots, and performing at least a portion of such instructions in accordance with at least a portion of such control information.



270. A method as in claim 267 further characterized in that such control information includes information describing the conditions under which such instructions may be used and the nature of audit reports required when such instructions are performed.

271. A robot control system characterized by:  
means for creating instructions for one or more robots,  
means for creating a secure container incorporating such instructions,  
means for associating control information with such secure container,  
means for incorporating at least one secure processing unit into such one or more robots, and  
means for performing at least a portion of such instructions in accordance with at least a portion of such control information.

272. A system as in claim 269 further characterized by means for creating such control information, including means for describing the conditions under which such instructions may be used and the nature of audit reports required when such instructions are performed.

273. A method of detecting fraud in electronic commerce characterized by the steps of creating at least one secure

container, associating control information with such one or more containers including control information requiring that audit information be collected and transmitted to an auditing party, delivering such one or more containers and such control information to at least one user, recording information identifying each container and each such user, receiving audit information, creating a profile of usage based at least in part on such received audit information and/or such control information, detecting cases where certain audit information differs at least in part from such profile of usage.

274. A system for detecting fraud in electronic commerce characterized by

means for creating at least one secure container,

means for associating control information with such one or more containers including control information requiring that audit information be collected and transmitted to an auditing party,

means for delivering such one or more containers and such control information to at least one user,

means for recording information identifying each container and each such user,

means for receiving audit information,

means for creating a profile of usage based at least in part on such received audit information and/or such control information, and

means for detecting cases where certain audit information differs at least in part from such profile of usage.

275. A method of detecting fraud in electronic commerce characterized by the steps of distributing at least in part protected digital information to customers, distributing one or more rights to use at least a portion of such digital information across an electronic network, allowing a customer to use at least a part of said at least in part protected digital information through the use of a protected processing environment and at least one of said one or more distributed rights, detecting unusual usage activity related to use of said digital information.

276. A system for detecting fraud in electronic commerce characterized by

means for distributing at least in part protected digital information to customers,

means for distributing one or more rights to use at least a portion of such digital information across an electronic network, a protected processing environment for allowing a customer to use at least a part of said at least in part protected

digital information through at least one of said one or more distributed rights, and

means for detecting unusual usage activity related to use of said digital information.

277. A programmable component arrangement comprising a tamper resistant processing environment including a microprocessor, memory, a task manager, memory manager and external interface controller, means for loading arbitrary components at least in part into the memory, means for initiating one or more tasks associated with processing such components, means for certifying the validity, integrity and/or trustedness of such components, means for creating arbitrary components, means for associating arbitrary events with such created components, means for certifying the validity, integrity and/or trustedness of such created components, and means for securely delivering such created components.

278. In a programmable component arrangement comprising a tamper resistant processing environment including a microprocessor, memory, a task manager, memory manager and an external interface controller, a processing method characterized by the following steps:

creating arbitrary components,

associating arbitrary events with such created components,

loading the arbitrary components at least in part into the memory,  
initiating one or more tasks associated with processing such loaded components,  
certifying the validity, integrity and/or trustedness of such created components, and  
securely delivering such created components.

279. A distributed, protected, programmable component arrangement comprising at least two tamper resistant processing environments including a microprocessor, memory, a task manager, memory manager and external interface controller, means for loading arbitrary components at least in part into the memory, means for initiating one or more tasks associated with processing such components, and means for certifying the validity, integrity and/or trustedness of such components, said arrangement further comprising means for creating arbitrary components, means for associating arbitrary events with such created components, means for certifying the validity, integrity and/or trustedness of such created components, means for securely delivering such created components between at least two of said at least two tamper resistant processing environments.

280. In a distributed, protected, programmable component arrangement comprising at least two tamper resistant processing

environments including a microprocessor, memory, a task manager, memory manager and external interface controller, a method comprising

- creating arbitrary components,
- certifying the validity, integrity and/or trustedness of such components,
- loading arbitrary components at least in part into the memory,
- initiating one or more tasks associated with processing such components,
- associating arbitrary events with such created components,
- and
- securely delivering such created components between at least two of said at least two tamper resistant processing environments.

281. An electronic appliance comprising at least one CPU, memory, at least one system bus, at least one protected processing environment, and at least one of a Rights Operating System or Rights Operating System layer associated with a host operating system.

282. An operating system comprising at least one task manager, at least one memory manager, at least one input/output manager, at least one protected processing environment, means

for detecting events, means for associating events with rights control functions, means for performing rights control functions at least in part within such one or more protected processing environments.

283. In an operating system comprising at least one task manager, at least one memory manager, at least one input/output manager, at least one protected processing environment, an operating method comprising:

detecting events,

associating events with rights control functions, and

performing rights control functions at least in part within such one or more protected processing environments.

284. A method of business automation characterized by the steps of creating one or more secure containers including accounting and/or other administrative information, associating control information with such one or more secure containers including a description of (a) the one or more parties to whom the container may and/or must be delivered and/or (b) the operations that one or more parties may and/or must perform with respect to such accounting and/or other administrative information, delivering one or more of such containers to one or more parties, and enabling the description and/or enforcement of at least a portion of such control information prior, during and/or

subsequent to use of such accounting and/or other administrative information by one or more parties.

285. A method as in claim 282 where such control information further includes at least one requirement that audit information be collected and delivered to one or more auditing parties, and further includes the step of delivering at least a portion of such audit information to one or more parties.

286. A method as in claim 283 where at least a portion of such audit information is automatically processed by at least one of such auditing parties, and further includes the step of transmitting further accounting, administrative and/or audit information to one or more parties that may be the same and/or differ from the one or more parties from whom audit information was received based at least in part on the receipt and/or content of such received audit information.

287. A method as in claim 282 where at least two of such parties are associated with different businesses and/or other organizations and such control information includes information that at least in part describes an accounting, administrative, reporting and/or other audit relationship between such businesses and/or other organizations.



288. A method as in claim 282, 283, 284, or 285 where some or all of such accounting and/or other administrative information is included in such control information.

289. A business automation system characterized by:  
means for creating one or more secure containers including accounting and/or other administrative information,  
means for associating, with such one or more secure containers, control information including a description of (a) the one or more parties to whom the container may and/or must be delivered and/or (b) the operations that one or more parties may and/or must perform with respect to such accounting and/or other administrative information,  
means for delivering one or more of such containers to one or more parties, and  
means for enabling the description and/or enforcement of at least a portion of such control information prior, during and/or subsequent to use of such accounting and/or other administrative information by one or more parties.

290. A system as in claim 287 where the associating means further includes means for associating at least one requirement that audit information be collected and delivered to one or more auditing parties, and the delivering means includes

means for delivering at least a portion of such audit information to one or more parties.

291. A system as in claim 288 further including means for automatically processing at least a portion of such audit information, and the system further includes means for transmitting further accounting, administrative and/or audit information to one or more parties that may be the same and/or differ from the one or more parties from whom audit information was received based at least in part on the receipt and/or content of such received audit information.

292. A system as in claim 287 where at least two of such parties are associated with different businesses and/or other organizations and the associating means includes means for generating control information including information that at least in part describes an accounting, administrative, reporting and/or other audit relationship between such businesses and/or other organizations.

293. A system as in claim 286, 287, 288, or 290 where some or all of such accounting and/or other administrative information is included in such control information.

294. A method of distributing content characterized by the steps of creating one or more first secure containers, associating control information with such first containers including information describing the conditions under which some or all of the content of such first containers may be extracted, delivering at least a portion of such first containers and such control information to one or more parties, detecting a request by one or more of such parties to extract some or all of the content of such first containers, determining if such request is permitted in whole or in part by such control information, to the extent permitted by such control information creating one or more second secure containers in accordance with such request and such control information, associating control information with such one or more second secure containers based at least in part on control information associated with such first containers.

295. A system for distributing content characterized by:  
means for creating one or more first secure containers,  
means for associating control information with such first containers including information describing the conditions under which some or all of the content of such first containers may be extracted,  
means for delivering at least a portion of such first containers and such control information to one or more parties,

means for detecting a request by one or more of such parties to extract some or all of the content of such first containers,

means for determining if such request is permitted in whole or in part by such control information, to the extent permitted by such control information creating one or more second secure containers in accordance with such request and such control information, and

means for associating control information with such one or more second secure containers based at least in part on control information associated with such first containers.

296. A method of distributing content characterized by the steps of creating one or more first secure containers, associating control information with such first secure containers including information describing the conditions under which such first secure containers (a) may in whole or in part be embedded into and/or securely associated with one or more second secure containers and/or (b) may allow one or more secure containers to be in whole or in part embedded into and/or securely associated with such first secure containers, delivering at least a portion of such first secure containers and such control information to one or more parties, detecting a request by one or more of such parties or by additional parties to (a) in whole or in part embed into and/or securely associate with such first containers one or

more second containers and/or (b) in whole or in part embed into and/or securely associate with a secure container such first secure containers, determining if such request is permitted by control information, to the extent permitted by control information performing one or more embedding and/or secure association operations, to the extent required by control information and/or requested by one or more of such parties, modifying and/or creating new control information at least in part as a consequence of such one or more embedding and/or secure association operations.

297. A system for distributing content characterized by means for creating one or more first secure containers, means for associating control information with such first secure containers including information describing the conditions under which such first secure containers (a) may in whole or in part be embedded into and/or securely associated with one or more second secure containers and/or (b) may allow one or more secure containers to be in whole or in part embedded into and/or securely associated with such first secure containers, means for delivering at least a portion of such first secure containers and such control information to one or more parties, means for detecting a request by one or more of such parties to (a) in whole or in part embed into and/or securely associate with such first containers one or more second

containers and/or (b) in whole or in part embed into and/or securely associate with a secure container such first secure containers, and

means for determining if such request is permitted by control information, to the extent permitted by control information performing one or more embedding and/or secure association operations, to the extent required by control information and/or requested by one or more of such parties, modifying and/or creating new control information at least in part as a consequence of such one or more embedding and/or secure association operations.

298. A method of distributing information characterized by the steps of protecting information from unauthorized use, associating control information with such protected information, delivering at least a portion of such protected information to one or more parties using plural pathways, delivering at least a portion of such control information to one or more parties using the same or different plural pathways, enabling at least one of such parties to make at least some use of such protected information delivered using a first pathway in accordance with control information at least a portion of which is delivered using a second pathway.

299. A method as in claim 296 in which at least one of such pathways of delivering protected information and/or control information is described by such control information.

300. A system for distributing information characterized by:

means for protecting information from unauthorized use,

means for associating control information with such protected information,

means for delivering at least a portion of such protected information to one or more parties using plural pathways,

means for delivering at least a portion of such control information to one or more parties using the same or different plural pathways,

means for enabling at least one of such parties to make at least some use of such protected information delivered using a first pathway in accordance with control information at least a portion of which is delivered using a second pathway.

301. A system as in claim 298 wherein the delivering means includes means for delivering, over at least one of such pathways, protected information and/or control information described by such control information.

302. A method of distributing information characterized by the steps of protecting information from unauthorized use, associating control information with such protected information including information requiring the collection of audit information, enabling one or more parties to receive and/or process audit information, delivering at least a portion of such protected information and such control information to one or more parties, enabling at least some use of such protected information in accordance with at least a portion of such control information that requires the collection of audit information, delivering such audit information to one or more of such enabled auditing parties different from such delivering party or parties.

303. A method as in claim 300 in which at least one of such auditing parties is specified in such control information.

304. A system for distributing information characterized by

means for protecting information from unauthorized use,  
means for associating control information with such protected information including information requiring the collection of audit information,

means for enabling one or more parties to receive and/or process audit information,



means for delivering at least a portion of such protected information and such control information to one or more parties,  
means for enabling at least some use of such protected information in accordance with at least a portion of such control information that requires the collection of audit information, and  
means for delivering such audit information to one or more of such enabled auditing parties different from such delivering party or parties.

305. A system as in claim 302 in which at least one of such auditing parties is specified in such control information.

306. A secure component-based operating process including:

- (a) retrieving at least one component;
- (b) retrieving a record that specifies a component assembly;
- (c) checking said component and/or said record for validity;
- (d) using said component to form said component assembly in accordance with said record; and
- (e) performing a process based at least in part on said component assembly.

307. A process as in claim 304 wherein said step (c) further comprises executing said component assembly.

308. A process as in claim 304 wherein said component comprises executable code.

309. A process as in claim 304 wherein said component comprises a load module.

310. A process as in claim 304 wherein:

said record comprises:

(i) directions for assembling said component assembly;

and

(ii) information that at least in part specifies a control;

and

said process further comprises controlling said step (d) and/or said step (e) based at least in part on said control.

311. A process as in claim 304 wherein said component has a security wrapper, and said controlling step comprises selectively opening said security wrapper based at least in part on said control.

312. A process as in claim 304 wherein:

said permissions record includes at least one decryption key; and

said controlling step includes controlling use of said decryption key.

313. A process as in claim 304 including performing at least two of said steps (a) and (e) within a protected processing environment.

314. A process as in claim 304 including performing at least two of said steps (a) and (e) at least in part within tamper-resistant hardware.

315. A method as in claim 304 wherein said performing step (e) includes metering usage.

316. A method as in claim 304 wherein said performing step (e) includes auditing usage.

317. A method as in claim 304 wherein said performing step (e) includes budgeting usage.

318. A secure component operating system process including:

receiving a component;

receiving directions specifying use of said component to form a component assembly;

authenticating said received component and/or said directions;

forming, using said component, said component assembly based at least in part on said received directions; and using said component assembly to perform at least one operation.

319. A method comprising performing the following steps within a secure operating system environment:

providing code;  
providing directions specifying assembly of said code into an executable program;  
checking said received code and/or said assembly directors for validity; and  
in response to occurrence of an event, assembling said code in accordance with said received assembly directions to form an assembly for execution.

320. A method for managing at least one resource with a secure operating environment, said method comprising:

securely receiving a first control from a first entity external to said operating environment;  
securely receiving a second control from a second entity external to said operating environment, said second entity being different from said first entity;  
securely processing, using at least one resource, a data item associated with said first and second controls; and

securely applying said first and second controls to manage said resource for use with said data item.

321. A method for securely managing at least one operation on a data item performed at least in part by an electronic arrangement, said method comprising:

- (a) securely delivering a first procedure to said electronic arrangement;
- (b) securely delivering, to said electronic arrangement, a second procedure separable or separate from said first procedure;
- (c) performing at least one operation on said data item, including using said first and second procedures in combination to at least in part securely manage said operation; and
- (d) securely conditioning at least one aspect of use of said data item based on said delivering steps (a) and (b) having occurred.

322. A method as in claim 319 including performing said delivering step (b) at a time different from the time said delivering step (a) is performed.

323. A method as in claim 319 wherein said step (a) includes delivering said first procedure from a first source, and said step (b) includes delivering said second procedure from a second source different from said first source.

324. A method as in claim 319 further including ensuring the integrity of said first and second procedures.

325. A method as in claim 319 further including validating each of said first and second procedures.

326. A method as in claim 319 further including authenticating each of said first and second procedures.

327. A method as in claim 319 wherein said using step (c) includes executing at least one of said first and second procedures within a tamper-resistant environment.

328. A method as in claim 319 wherein said step (c) includes the step of controlling said data item with at least one of said first and second procedures.

329. A method as in claim 319 further including establishing a relationship between at least one of said first and second procedures and said data item.

330. A method as in claim 319 further including establishing correspondence between said data item and at least one of said first and second procedures.

331. A method as in claim 319 wherein said delivering step (b) comprises delivering at least one load module encrypted at least in part.

332. A method as in claim 329 wherein said delivering step (a) comprises delivering at least one further load module encrypted at least in part.

333. A method as in claim 319 wherein said delivering step (b) comprises delivering at least one content container carrying at least in part secure control information.

334. A method as in claim 319 wherein said delivering step (b) comprises delivering a control method and at least one further method.

335. A method as in claim 319 wherein said delivering step (a) includes:

encrypting at least a portion of said first procedure,  
communicating said at least in part encrypted first  
procedure to said electronic arrangement,

decrypting at least a portion of said first procedure at least  
in part using said electronic arrangement, and

validating said first procedure with said electronic  
arrangement.

336. A method as in claim 319 wherein said delivering step (b) includes delivering at least one of said first and second procedures within an administrative object.

337. A method as in claim 319 wherein said delivering step (b) includes codelivering said second procedure in at least in part encrypted form with said data item.

338. A method as in claim 319 wherein said performing step includes metering usage.

339. A method as in claim 319 wherein said performing step includes auditing usage.

340. A method as in claim 319 wherein said performing step includes budgeting usage.

341. A method for securely managing at least one operation performed at least in part by a secure electronic appliance, comprising:

(a) selecting an item that is protected with respect to at least one operation;

(b) securely independently delivering plural separate procedures to said electronic appliance;



(c) using said plural separate procedures in combination to at least in part securely manage said operation with respect to said selected item; and

(d) conditioning successful completion of said operation on said delivering step (b) having occurred.

342. A method for processing based on deliverables comprising:

securely delivering a first piece of code defining a first part of a process;

separately, securely delivering a second piece of code defining a second part of said process;

ensuring the integrity of the first and second delivered pieces of code; and

performing said process based at least in part on said first and second delivered code pieces.

343. A method as in claim 340 wherein a first piece of code for said process at least in part controls decrypting content.

344. A method as in claim 340 wherein said ensuring step includes validating said first and second pieces of code.

345. A method as in claim 340 wherein said ensuring step includes validating said first and second pieces of code relative to one another.

346. A method as in claim 340 wherein said performing step includes metering usage.

347. A method as in claim 340 wherein said performing step includes auditing activities.

348. A method as in claim 340 wherein said performing step includes budgeting usage.

349. A method as in claim 340 wherein said performing step includes electronically processing content based on electronic controls.

350. A method of securely controlling at least one protected operation with respect to a data item comprising:

- (a) supplying at least a first control from a first party;
- (b) supplying at least a second control from a second party different from said first party;
- (c) securely combining said first and second controls to form a set of controls;

(d) securely associating said control set with said data item; and

(e) securely controlling at least one protected operation with respect to said data item based on said control set.

351. A method as in claim 348 wherein said data item is protected.

352. A method as in claim 348 wherein at least one of said plural controls includes a control relating to metering at least one aspect of use of said protected data item.

353. A method as in claim 348 wherein at least one of said plural controls include a control relating to budgeting at least one aspect of use of said protected data item.

354. A secure method for combining data items into a composite data item comprising:

(a) securely providing a first data item having at least a first control associated therewith;

(b) securely providing a second data item having at least a second control associated therewith;

(c) forming a composite of said first and second data items;

(d) securely combining said first and second controls into a composite control set; and

(e) performing at least one operation on said composite of said first and second data items based at least in part on said composite control set.

355. A method as in claim 352 wherein said combining step includes preserving each of said first and second controls in said composite set.

356. A method as in claim 352 wherein said performing step comprises governing the operation on said composite of said first and second data items in accordance with said first control and said second control .

357. A method as in claim 352 wherein said providing step includes ensuring the integrity of said association between said first controls and said first data item is maintained during at least one of transmission, storage and processing of said first data item.

358. A method as in claim 352 wherein said providing step comprises delivering said first data item separately from said first control .

359. A method as in claim 352 wherein said providing step comprises codelivering said first data item and said first control .

360. A secure method for controlling a protected operation comprising:

(a) delivering at least a first control and a second control;  
and

(b) controlling at least one protected operation based at least in part on a combination of said first and second controls, including at least one of the following steps:

resolving at least one conflict between said first and second controls based on a predefined order;

providing an interaction with a user to form said combination; and

dynamically negotiating between said first and second controls.

361. A method as in claim 358 wherein said controlling step (b) includes controlling decryption of electronic content.

362. A method as in claim 358 further including:  
receiving protected electronic content from a party; and  
authenticating the identity of said party prior to using said received protected electronic content.

363. A secure method comprising:  
selecting protected data;  
extracting said protected data from an object;  
identifying at least one control to manage at least one aspect of use of said extracted data;  
placing said extracted data into a further object; and  
associating said at least one control with said further object.

364. A method as in claim 361 further including limiting at least one aspect of use of said further object based on said at least one control.

365. A secure method of modifying a protected object comprising:  
(a) providing a protected object; and  
(b) embedding at least one additional element into said protected object without unprotecting said object.

366. A method as in claim 60 further including:  
associating at least one control with said object; and  
limiting usage of said element in accordance with said control.

367. A method as in claim 363 further including a permissions record within said object.

368. A method as in claim 364 further including at least in part encrypting said object.

369. A method for managing at least one resource with a secure operating environment, said method comprising:

securely receiving a first load module from a first entity external to said operating environment;

securely receiving a second load module from a second entity external to said operating environment, said second entity being different from said first entity;

securely processing, using at least one resource, a data item associated with said first and second load modules; and

securely applying said first and second load modules to manage said resource for use with said data item.

370. A method for negotiating electronic contracts, comprising:

receiving a first control set from a remote site;

providing a second control set;

performing, within a protected processing environment, an electronic negotiation between said first control set and said

second control set, including providing interaction between said first and second control sets; and

producing a negotiated control set resulting from said interaction between said first and second control sets.

371. A system for supporting electronic commerce including:

means for creating a first secure control set at a first location;

means for creating a second secure control set at a second location;

means for securely communicating said first secure control set from said first location to said second location; and

means at said second location for securely integrating said first and second control sets to produce at least a third control set comprising plural elements together comprising an electronic value chain extended agreement.

372. A system for supporting electronic commerce including:

means for creating a first secure control set at a first location;

means for creating a second secure control set at a second location;



means for securely communicating said first secure control set from said first location to said second location; and

negotiation means at said second location for negotiating an electronic contract through secure execution of at least a portion of said first and second secure control sets.

373. A system as in claim 370 further including means for controlling use by a user of protected information content based on at least a portion of said first and/or second control sets.

374. A system as in claim 370 further including means for charging for at least a part of said content use.

375. A secure component-based operating system including:

component retrieving means for retrieving at least one component;

record retrieving means for retrieving a record that specifies a component assembly;

checking means, operatively coupled to said component retrieving means and said record retrieving means, for checking said component and/or said record for validity;

using means, coupled to said checking means, for using said component to form said component assembly in accordance with said record; and

performing means, coupled to said using means, for performing a process based at least in part on said component assembly.

376. A secure component-based operating system including:

a database manager that retrieves, from a secure database, at least one component and at least one record that specifies a component assembly;

an authenticating manager that checks said component and/or said record for validity;

a channel manager that uses said component to form said component assembly in accordance with said record; and

an execution manager that performs a process based at least in part on said component assembly.

377. A secure component operating system including:

means for receiving a component;

means for receiving directions specifying use of said component to form a component assembly;

means, coupled to said receiving means, for authenticating said received component and/or said directions;

means, coupled to said authenticating means, for forming, using said component, said component assembly based at least in part on said received directions; and

means, coupled to said forming means, for using said component assembly to perform at least one operation.

378. A secure component operating environment including:

a storage device that stores a component and directions specifying use of said component to form a component assembly;

an authenticating manager that authenticates said component and/or said directions;

a channel manager that forms, using said component, said component assembly based at least in part on said directions; and

a channel that executes said component assembly to perform at least one operation.

379. A secure operating system environment comprising:

a storage device that stores code and directions specifying assembly of said code into an executable program;

a validating device that checks said received code and/or said assembly directors for validity; and

an event-driven channel that, in response to occurrence of an event, assembles said code in accordance with said assembly directions to form an assembly for execution.

380. A secure operating environment system for managing at least one resource comprising:

a communications arrangement that securely receives a first control from a first entity external to said operating environment, and securely receives a second control from a second entity external to said operating environment, said second entity being different from said first entity; and

a protected processing environment, coupled to said communications arrangement, that:

(a) securely processes, using at least one resource, a data item associated with said first and second controls, and

(b) securely applies said first and second controls to manage said resource for use of said data item.

381. A system for negotiating electronic contracts, comprising:

a storage arrangement that stores a first control set received from a remote site, and stores a second control set;

a protected processing environment, coupled to said storage arrangement, that:

(a) performs an electronic negotiation between said first control set and said second control set,

(b) provides interaction between said first and second control sets, and

(c) produces a negotiated control set resulting from said interaction between said first and second control sets.

382. A system as in claim 379 further including means for electronically enforcing said negotiated control set.

383. A system as in claim 379 further including means for generating an electronic contract based on said negotiated control set.

384. A method for supporting electronic commerce including:

creating a first secure control set at a first location;

creating a second secure control set;

electronically negotiating, at said location different from said first location, an electronic contract, including the step of securely executing at least a portion of said first and second control sets.

385. An electronic appliance comprising:

a processor; and

at least one memory device connected to said processor;

wherein said processor includes:

retrieving means for retrieving at least one component, and at least one record that specifies a component assembly, from said memory device,

checking means coupled to said retrieving means for checking said component and/or said record for validity, and

using means coupled to said retrieving means for using said component to form said component assembly in accordance with said record.

386. An electronic appliance comprising:

at least one processor;

at least one memory device connected to said processor;

and

at least one input/output connection operatively coupled to said processor,

wherein said processor at least in part executes a rights operating system to provide a secure operating environment within said electronic appliance.

387. An electronic appliance as in claim 384 wherein said processor includes means for providing a channel, said channel assembling independently deliverable components into a component assembly and executing said component assembly.

388. An electronic appliance as in claim 384 further including a secondary storage device coupled to said processor, said secondary storage device storing a secure database, said processor including means for decrypting information obtained from said secure database and for encrypting information to be written to said secure database.

389. An electronic appliance as in claim 384 wherein said processor and said memory device are disposed in a secure, tamper-resistance encapsulation.

390. An electronic appliance as in claim 384 wherein said processor includes a hardware encryptor/decryptor.

391. An electronic appliance as in claim 384 wherein said processor includes a real time clock.

392. An electronic appliance as in claim 384 wherein said processor includes a random number generator.

393. An electronic appliance as in claim 384 wherein said memory device stores audit information.

394. A method for auditing the use of at least one resource with a secure operating environment, said method comprising:

securely receiving a first control from a first entity external to said operating environment;

securely receiving a second control from a second entity external to said operating environment, said second entity being different from said first entity;

using at least one resource;

securely sending to said first entity in accordance with said first control, first audit information concerning use of said resource; and

securely sending to said second entity in accordance with said second control, second audit information concerning use of said resource, said second audit information being at least in part different from said first audit information.

395. A method for auditing the use of at least one resource with a secure operating environment, said method comprising:

securely receiving first and second control alternatives from an entity external to said operating environment;

selecting one of said first and second control alternatives; using at least one resource;

if said first control alternative is selected by said selecting step, securely sending to said entity in accordance with said first control alternative, first audit information concerning use of said resource; and

if said second control alternative is selected by said selecting step, securely sending to said second entity in accordance with said second control alternative, second audit information concerning use of said resource, said second audit information being at least in part different from said first audit information.



396. A method and/or system for enabling a sale of protected digital information that has been previously distributed to users, the method or system being characterized by a secure element that selectively controls access to the protected digital information based on electronic controls associated with the information.

397. A distributed, secure electronic point of sale system or method characterized by a secure processing element for selectively releasing goods and/or services in exchange for compensation.

398. In a distributed digital network, an advertising method characterized by the steps of tracking usage of digital information that has associated with it one or more controls with respect to access to and/or usage of said information; and targeting advertising messages based at least in part on said tracking.

399. A distributed electronic advertising system characterized in that the system uses a distributed network of interoperable protected processing environments to at least in part deliver advertising to users.

400. A distributed, secure, virtual black box comprised of nodes located at VDE content container creators, other content providers, client users, and recipients of secure VDE content usage information) site, the nodes of said virtual black box including a secure subsystem having at least one secure hardware element such as a semiconductor element or other hardware module for securely executing VDE control processes, said secure subsystems being distributed at nodes along a pathway of information storage, distribution, payment, usage, and/or auditing.

401. A protected processing system or method providing multiple currencies and/or payment arrangements for the secure processing and releasing of protected digital information.

402. A distributed secure method or system characterized in that a user's age is used as a criteria for electronically, securely releasing information and/or resources to the user.

403. A method of renting an electronic appliance defining a secure processing environment.

404. A virtual distribution environment providing any one or more of the following features and/or elements and/or combinations thereof:

a configurable protected, distributed event management system; and/or

a trusted, distributed transaction and storage management arrangement; and/or

plural pathways for providing information, for control information, and/or for reporting; and/or

multiple payment methods; and/or

multiple currencies; and/or

EDI; and/or

Electronic banking; and/or

electronic document management; and/or

electronic secure communication; and/or

e-mail; and/or

distributed asynchronous reporting; and/or

combination asynchronous and online management; and/or

privacy control by users; and/or

testing; and/or

using age as a class; and/or

appliance control (renting, etc.); and/or

telecommunications infrastructure; and/or

games management; and/or

extraction of content from an electronic container; and/or

embedding of content into an electronic container; and/or

multiple certificate to allow for breach of a key; and/or

virtual black box; and/or

independence of control information from content; and/or  
multiple, separate, simultaneous control sets for one digital  
information property; and/or  
updating control information for already distributed digital  
information; and/or  
organization information management; and/or  
coupled external and organization internal chain of  
handling and control; and/or  
a content usage consequence management system  
(reporting, payment, etc., multiple directions); and/or  
a content usage reporting system providing differing audit  
information and/or reduction going to multiple parties holding  
rights in content; and/or  
an automated remote secure object creation system; and/or  
infrastructure background analysis to identify improper  
use; and/or  
seniority of control information system; and/or  
secure distribution and enforcement of rules and controls  
separately from the content they apply to; and/or  
redistribution management by controlling the rights and/or  
number of copies and or pieces etc. that may be redistributed;  
and/or  
an electronic commerce taxation system; and/or  
an electronic shopping system; and/or  
an electronic catalog system; and/or

a system handling electronic banking, electronic shopping,  
and electronic content usage management; and/or  
an electronic commerce multimedia system; and/or  
a distributed, secure, electronic point of sale system; and/or  
advertising; and/or  
electronics rights management; and/or  
a distributed electronic commerce system; and/or  
a distributed transaction system or environment; and/or  
a distributed event management system; and/or  
a distributed right systems.

405. A Virtual Distribution Environment substantially as  
shown in Figure 1.

406. An "Information Utility" substantially as shown in  
Figure 1A.

407. A chain of handling and control substantially as  
shown in Figure 1.

408. Persistent rules and control information substantially  
as shown in Figure 2A.

409. A method of providing different control information  
substantially as shown in Figure 1.

410. Rules and/or control information substantially as shown in Figure 4.

411. An object substantially as shown in Figures 5A and 5B.

412. A Secure Processing Unit substantially as shown in Figure 6.

413. An electronic appliance substantially as shown in Figure 7.

414. An electronic appliance substantially as shown in Figure 8.

415. A Secure Processing Unit substantially as shown in Figure 9.

416. A "Rights Operating System" ("ROS") architecture substantially as shown in Figure 10.

417. Functional relationship(s) between applications and the Rights Operating System substantially as shown in Figures 11A-11C.

418. Components and component assemblies substantially as shown in Figures 11D-11J.

419. A Rights Operating System substantially as shown in FIGURE 12.

420. A method of objection creation substantially as shown in Figure 12A.

421. A "protected processing environment" software architecture substantially as shown in Figure 13.

422. A method of supporting a channel substantially as shown in Figure 15.

423. A channel header and channel detail record substantially as shown in Figure 15 A.

424. A method of creating a channel substantially as shown in Figure 15B.

425. A secure data base substantially as shown in Figure 16.

426. A logical object substantially as shown in Figure 17.

427. A stationary object substantially as shown in  
FIGURE 18.

428. A travelling object substantially as shown in FIGURE  
19.

429. A content object substantially as shown in FIGURE  
20.

430. An administrative object substantially as shown in  
Figure 21.

431. A method core substantially as shown in Figure 22.

432. A load module substantially as shown in FIGURE  
23.

433. A User Data Element (UDE) and/or Method Data  
Element (MDE) substantially as shown in FIGURE 24.

434. Map meters substantially as shown in FIGURES  
25A-25C.

435. A permissions record (PERC) substantially as shown  
in FIGURE 26.



436. A permissions record (PERC) substantially as shown in FIGURES 26A and 26B.

437. A shipping table substantially as shown in FIGURE 27.

438. A receiving table substantially as shown in FIGURE 28.

439. An administrative event log substantially as shown in FIGURE 29.

440. A method of interrelating and using an object registration table, a subject table and a user rights table substantially as shown in Figure 30.

441. A method of using a site record table and a group record table to track portions of a secure database substantially as shown in FIGURE 34.

442. A process for updating a secure database substantially as shown in FIGURE 35.

443. A process of inserting new elements into a secure database substantially as shown in FIGURE 36.

444. A process of accessing elements in a secure database substantially as shown in FIGURE 37.

445. A process of protecting a secure database element substantially as shown in FIGURE 38.

446. A process of backing up a secure database substantially as shown in FIGURE 39.

447. A process of recovering a secure database substantially as shown in FIGURE 40.

448. A process of enabling performing reciprocal methods to provide a chain of handling and control substantially as shown in FIGURES 41A-41D.

449. A "reciprocal" BUDGET method substantially as shown in FIGURES 42A-42D.

450. A reciprocal audit method substantially as shown in FIGURES 44A-44C.

451. A method for controlling release of content or other method substantially as shown in any of FIGURES 45-48.

452. An event method substantially as shown in  
FIGURES 53A-53B.

453. A billing method substantially as shown in FIGURE  
53C.

454. An extract method substantially as shown in  
FIGURE 57A.

455. An embed method substantially as shown in FIGURE  
57A.

456. An obscure method substantially as shown in  
FIGURE 58A.

457. A fingerprint method substantially as shown in  
FIGURE 58B.

458. A fingerprint method substantially as shown in  
FIGURE 58C.

459. A meter method substantially as shown in FIGURE  
6.

460. A key "convolution" process substantially as shown in FIGURE 62.

461. A process of generating different keys using a key convolution process to determine a "true" key substantially as shown in FIGURE 63.

462. A process of initializing protected processing environment keys substantially as shown in FIGURES 64 and/or 65.

463. A process for decrypting information contained within stationary objects substantially as shown in FIGURE 66.

464. A process for decrypting information contained within traveling objects substantially as shown in FIGURE 67.

465. A process for initializing a protected processing environment substantially as shown in FIGURE 68.

466. A process of downloading firmware into a protected processing environment substantially as shown in FIGURE 69.

467. Multiple VDE electronic appliances connected together with a network or other communications means substantially as shown in FIGURE 70.

468. A portable VDE electronic appliance substantially as shown in FIGURE 71.

469. "Pop-up" displays that may be generated by the user notification and exception interface substantially as shown in Figures 72A-72D.

470. A smart object substantially as shown in FIGURE 73.

471. A method of processing smart objects substantially as shown in FIGURE 74.

472. Electronic negotiation substantially as shown in any of FIGURES 75A-75D.

473. An electronic agreement substantially as shown in FIGURES 75E-75F.

474. Electronic negotiation processes substantially as shown in any of FIGURES 76A-76B.

475. A chain of handling and control substantially as shown in FIGURE 77.

476. A VDE "repository" substantially as shown in FIGURE 78.

477. A process of using a chain of handling and control to evolve and transform VDE managed content and control information substantially as shown in any or all of FIGURES 79-83.

478. A chain of handling and control involving several categories of VDE participants substantially as shown in FIGURE 84.

479. A chain of distribution and handling within an organization substantially as shown in FIGURE 85.

480. A chain of handling and control substantially as shown in Figures 86 and/or 86A.

481. A virtual silicon container model substantially as shown in Figure 87.

482. A method of business automation characterized by the steps of (a) creating one or more secure containers including encrypted accounting and/or other administrative information content, (b) associating control information with one or more of such one or more secure containers including a description of (i) the one or more parties whom may use one or more of the one or more containers, and (ii) the operations that will be performed for one or more parties with respect to such accounting and/or other administrative information, (c) electronically delivering one or more of such one or more containers such to one or more parties, and (d) enabling through the use of a protected processing environment the enforcement of at least a portion of such control information.

483. A business automation system characterized by:  
means for providing at least one secure container including administrative information content having control information associated therewith, and  
a protected processing environment for enforcing, at least in part, the control information.

484. A business automation system comprising (a) distributed, interoperable protected processing environment installations, (b) secure containers for distribution of digital

information, (c) control information supporting the automation of chain of handling and control functions.

485. A method of business automation characterized by the steps of providing interoperable protected processing environment nodes to plural parties, communicating first encrypted digital information from a first party to a second party, communicating second encrypted digital information including at least a portion of said first communicated digital information and/or information related to the use of said first digital information, to a third party different from said first or second parties, wherein use of said second encrypted digital information is regulated, at least in part, by an interoperable protected processing environment available to said third party.

486. A business automation system characterized by:  
plural protected processing environment nodes,  
means for communicating digital information between the nodes, and

wherein at least one of the nodes includes means for regulating the use of said communicated digital information.

487. A method for chain of handling and control characterized by the steps of (a) a first party placing protected digital information into a first software container and stipulating



rules and controls governing use of at least a portion of said digital information, (b) providing said software container to a second party, wherein said second party places said software container into a further software container and stipulates rules and controls for at least in part managing use of at least a portion of said digital information and/or said first software container by a third party.

488. A chain of handling and control system characterized by:

means for placing digital information into a first software container and for stipulating rules and/or controls governing use of at least a portion of said digital information, and

means for placing said software container into a further software container and for stipulating further rules and/or controls for at least in part managing use of at least a portion of said digital information and/or said first software container.

489. A system for chain of handling and control including (a) a first container containing at least in part protected digital information, (b) at least in part protected control information stipulated by a first party establishing conditions for use of at least a portion of said digital content, (c) a second container different from said first container, said second container containing said first container, (d) control information stipulated

independently by a second party for at least in part setting conditions for managing use of the contents of said second container.

490. A system for electronic advertising including: (a) means to provide digital information to users for their use, (b) means to provide advertising content to said users in combination with said digital information, (c) means to audit use of said digital information, (d) means to securely acquire usage information regarding use of advertising content, (e) means to securely report information based upon said advertising content usage information, (f) compensating at least one content provider at least in part based upon use of said advertising content.

491. A method for electronic advertising characterized by the steps of (a) placing digital information into a container, (b) associating advertising information with at least a portion of said digital information, (c) securely providing said container to a container user, (d) monitoring user viewing of advertising information, and (e) receiving payment from an advertiser, wherein said payment is related to user viewing of said advertising information.

492. A system for electronic advertising involving (a) means to containerize digital information including both content

and advertising information, (b) means to monitor viewing of at least a portion of said advertising information, (c) means to charge for user viewing of at least a portion of said advertising information, (d) means to securely communicate information based upon said viewing in a secure container, and (e) control information related to said containerized digital information for managing the communication of said information based upon said viewing.

493. A method for electronic advertising characterized by the steps of (a) containerizing digital information including both content and advertising information, (b) monitoring user viewing of at least a portion of said advertising information, (c) charging for user viewing of at least a portion of said advertising information, (d) securely communicating information based upon said viewing in a secure container, and (e) at least in part managing, through the use of control information related to said advertising information, the communication of information based upon said viewing.

494. A method of clearing transaction information characterized by the steps of (a) securely distributing digital information to a first user of an interoperable protected processing environment, (b) securely distributing further digital information to a user of an interoperable protected processing

environment different from said at first user (c) receiving information related to usage of said digital information, (d) receiving information related to usage of said further digital information, and (e) processing information received according to steps (c) and (d) to perform at least one of (I) an administrative, or (II) an analysis, function.

495. A system for clearing transaction information including (a) a first container containing at least in part protected digital information and associated control information, (b) a second secure container containing further at least in part protected digital information and associated control information, (c) means to distribute said first and second containers to users, (d) communication means for communicating information at least in part derived from user usage of said first container digital information, (e) communication means for communicating information at least in part derived from user usage of said second container digital information, (f) processing means at a clearinghouse site for receiving the information communicated through steps (d) and (e), wherein said processing means perform administrative and/or analysis processing of at least a portion of said communicated information.

496. A method for clearinghouse analysis characterized by the steps of: (a) enabling plural independent clearinghouses for

administering and/or analyzing usage of distributed, at least in part protected, digital information, (b) providing interoperable protected processing environments to plural, independent users, and (c) enabling a user to select a clearinghouse for use with an interoperable protected processing environment

497. A system for clearinghouse analysis including (a) plural independent clearinghouses for administering and/or analyzing usage of distributed, at least in part protected, digital information, (b) at least one interoperable protected processing environments at each of plural user locations, (c) selecting means for enabling a user to select one of said plural independent clearinghouse to perform payment and/or analysis functions related to the use of at least a portion of said at least in part protected, digital information.

498. A method of electronic advertising characterized by the steps of

creating one or more electronic advertisements, creating one or more secure containers including at least a portion of such advertisements,

associating control information with such advertisements including control information describing at least one of: (a) reporting at least some advertisement usage information to one or more content providers, advertisers and/or agents, (b)

providing one or more credits to a user based on such user's viewing and/or other usage of such advertisements, (c ) reporting advertisement usage information to one or more market analysts, (d) providing a user with ordering information for and/or means for ordering one or more products and/or services, and/or (e) providing one or more credits to a content provider based on one or more users' viewing and/or other usage of such advertisements,

providing such containers and such control information to one or more users,

enabling such users to use such containers at least in part in accordance with such control information.

499. A system for electronic advertising including (a) means to provide digital information to users for their use, (b) means to provide advertising content to said users in combination with said digital information, (c ) means to audit use of said digital information, (d) means to acquire usage information regarding use of advertising content, (e) means to securely report information based upon said advertising content usage information, and (f) compensating at least one content provider at least in part based upon use of such advertising content.

500. A system for chain of handling and control including (a) a first container containing at least in part protected digital information, (b) at least in part protected control information stipulated by a first party establishing condition for use of at least a portion of said digital content, (c ) a second container different from said first container, said second container containing said first container, and (d) control information stipulated independently by a second party for at least in part setting conditions for managing use of the contents of said second container.

501. A method of operating a clearinghouse characterized by the steps of receiving usage information related at least in part to use of secure containers from plural parties, determining payments due to one or more parties based at least in part on such usage information, performing and/or causing to be performed transactions resulting in payments to such parties based at least in part on such determinations.

502. An electronic clearinghouse comprising:  
means for receiving usage information related at least in part to use of secure containers from plural parties,  
means for determining payments due to one or more parties based at least in part on such usage information,

means for performing and/or causing to be performed transactions resulting in payments to such parties based at least in part on such determinations.

503. A method of operating a clearinghouse characterized by the steps of receiving usage information related at least in part to use of secure containers from plural parties, determining reports of usage for one or more parties based at least in part on such usage information, creating and/or causing to be created reports of usage based at least in part on such determination, delivering at least one of such reports to at least one of such parties.

504. A method of operating a clearinghouse characterized by the steps of receiving permissions and/or other control information from one or more content providers including information that enables delivery of at least one right in at least one secure container to other parties, receiving requests from plural parties for one or more rights in one or more secure containers, delivering permissions and/or other control information to such parties based at least in part on such requests.

505. A method of operating a clearinghouse characterized by the steps of receiving information from one or more parties



establishing a party's identity information, creating one or more electronic representations of at least a portion of such identity information for use in enabling and/or withholding at least one right in at least one secure container, performing an operation to certify such electronic representations, delivering such electronic representations to such party.

506. A method of operating a clearinghouse characterized by the steps of receiving a request for credit from a party for use with secure containers, determining an amount of credit based at least in part on such request, creating control information related to such an amount, delivering such control information to such user, receiving usage information related to use of such credit, performing and/or causing to be performed at least one transaction associated with collecting payment from such user.

507. A method for contributing secure control information with respect to an electronic value chain wherein control information is contributed by a party not directly participating in said value chain, comprising steps of: aggregating said contributed control information with control information associated with digital information stipulated by one or more parties in an electronic value chain, said aggregate control information at least in part managing conditions related to the use of at least a portion of said digital information.

508. A method for entering the payment of taxes associated with commercial events wherein secure control information for automatically governing tax payments for said commercial events is contributed by a party comprising steps of: aggregating said secure control information with control information that has been contributed by a separate party and controlling at least one condition for use of digital information.

509. A method for general purpose reusable electronic commerce arrangement characterized by the steps of:

- (a) providing component structures, modular methods that can be configured together to comprise event controlled
- (b) providing integrateable protected processing environments to plural independent users;
- (c) employing secure communications means for communicating digital control information between integrateable protected processing environments; and
- (d) enabling database managers operably connected to said processing environments for storing at least a portion of said provided component modular methods.

510. A system for general purpose, reusable electronic commerce including:

- (a) component modular methods configured together to comprise event control structures;

(b) at least one interoperable processing environment at each of plural independent user locations;

(c) secure communications means for communicating digital control information between interoperable protected processing environments; and

(d) secured database managers operably connected to said protected processing environments for storing at least a portion of said component modular methods.

511. A general purpose electronic commerce credit system including:

(a) a secure interoperable protected processing environment;

(b) general purpose credit control information for providing credit for user usage of at least in part protected digital information; and

(c) at least in part protected digital information related control information for providing necessary information for employing credit through the use, at least in part, of said general purpose credit control information.

512. A method for enabling a general purpose electronic commerce credit system including:

(a) providing secure interoperable protected processing environments;

(b) supplying general purpose credit control information for providing credit for user usage of at least in part protected digital information; and

(c) providing, at least in part, protected digital information related control information for providing necessary information for employing credit through the use, at least in part, of said general purpose credit control information.

513. A document management system comprising one or more electronic appliances containing one or more SPUs and one or more secure databases operatively connected to at least one of the SPUs.

514. An electronic contract system comprising one or more electronic appliances containing one or more SPUs and one or more secure databases operatively connected to at least one of the SPUs.

515. An electronic appliance containing at least one SPU and at least one secure database operatively connected to at least one of the SPU(s).

516. An electronic appliance containing one or more CPUs where at least one of the CPUs is integrated with at least one SPU.

517. An electronic appliance containing one or more video controllers where at least one of the video controllers is integrated with at least one SPU.

518. An electronic appliance containing one or more network communications means where at least one of the network communications means is integrated with at least one SPU.

519. An electronic appliance containing one or more modems where at least one of the modems is integrated with at least one SPU.

520. An electronic appliance containing one or more CD-ROM devices where at least one of the CD-ROM devices is integrated with at least one SPU.

521. An electronic appliance containing one or more set-top controllers where at least one of the set-top controllers is integrated with at least one SPU.

522. An electronic appliance containing one or more game systems where at least one of the game systems is integrated with at least one SPU.

523. An integrated circuit supporting multiple encryption algorithms comprising at least one microprocessor, memory, input/output means, at least one circuit for encrypting and/or decrypting information and one or more software programs for use with at least one of the microprocessors to perform encryption and/or decryption functions.

524. An integrated circuit comprising at least one microprocessor, memory, at least one real time clock, at least one random number generator, at least one circuit for encrypting and/or decrypting information and independently delivered and/or independently deliverable certified software.

525. An integrated circuit comprising at least one microprocessor, memory, input/output means, a tamper resistant barrier and at least a portion of a Rights Operating System.

526. An integrated circuit comprising at least one microprocessor, memory, input/output means, at least one real time clock, a tamper resistant barrier and means for recording interruption of power to at least one of the real time clocks.

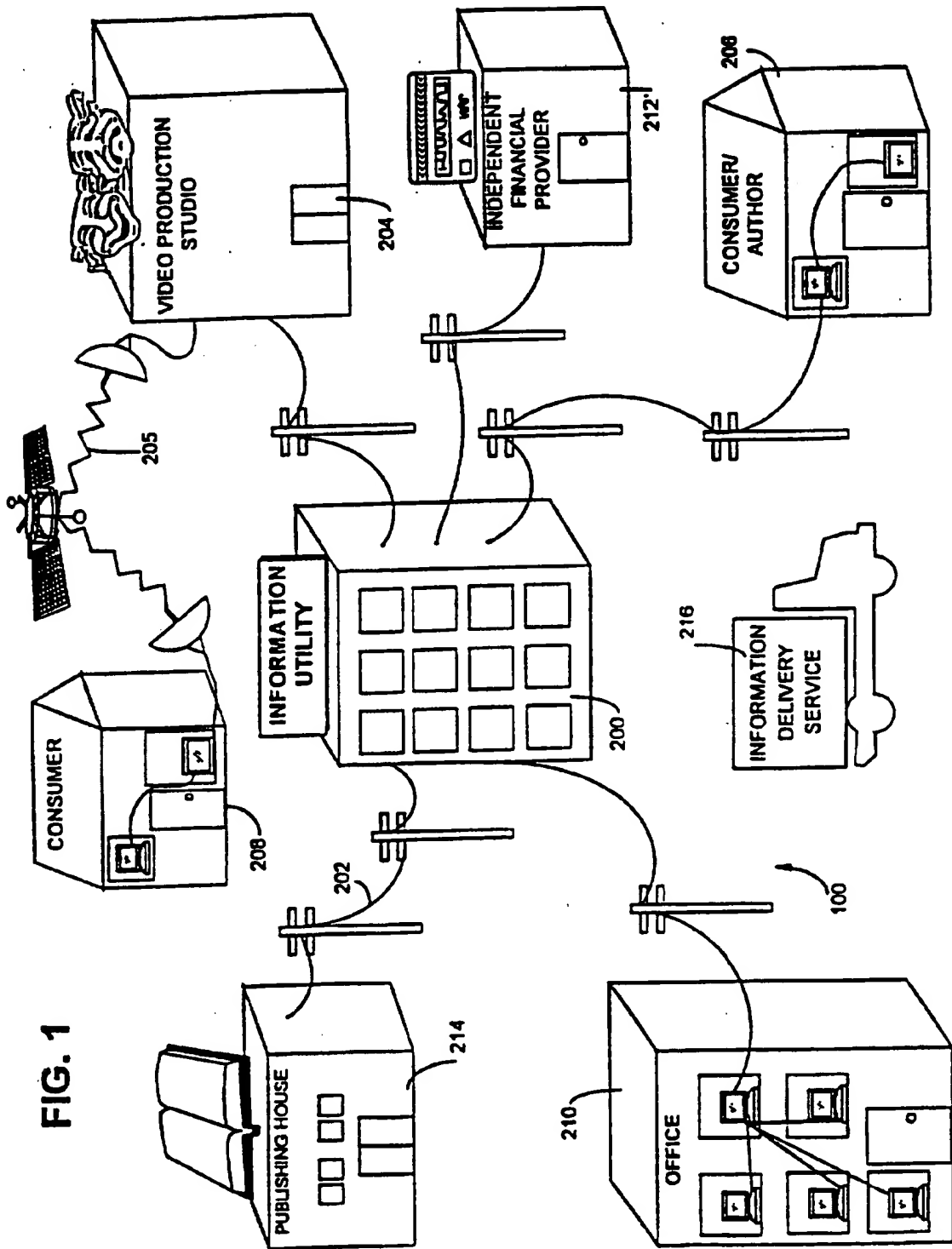


FIG. 1

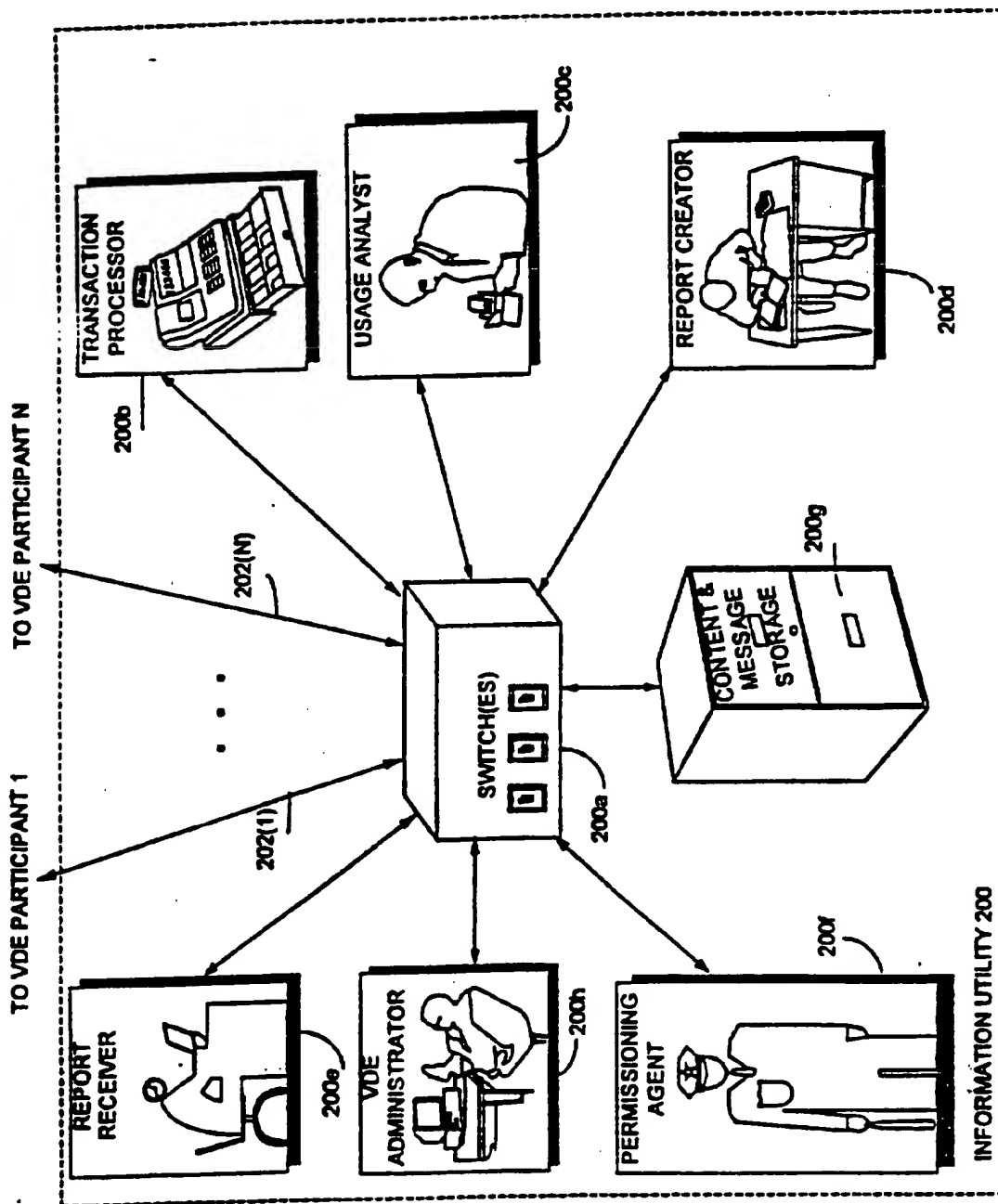


FIG. 1A



FIG. 2

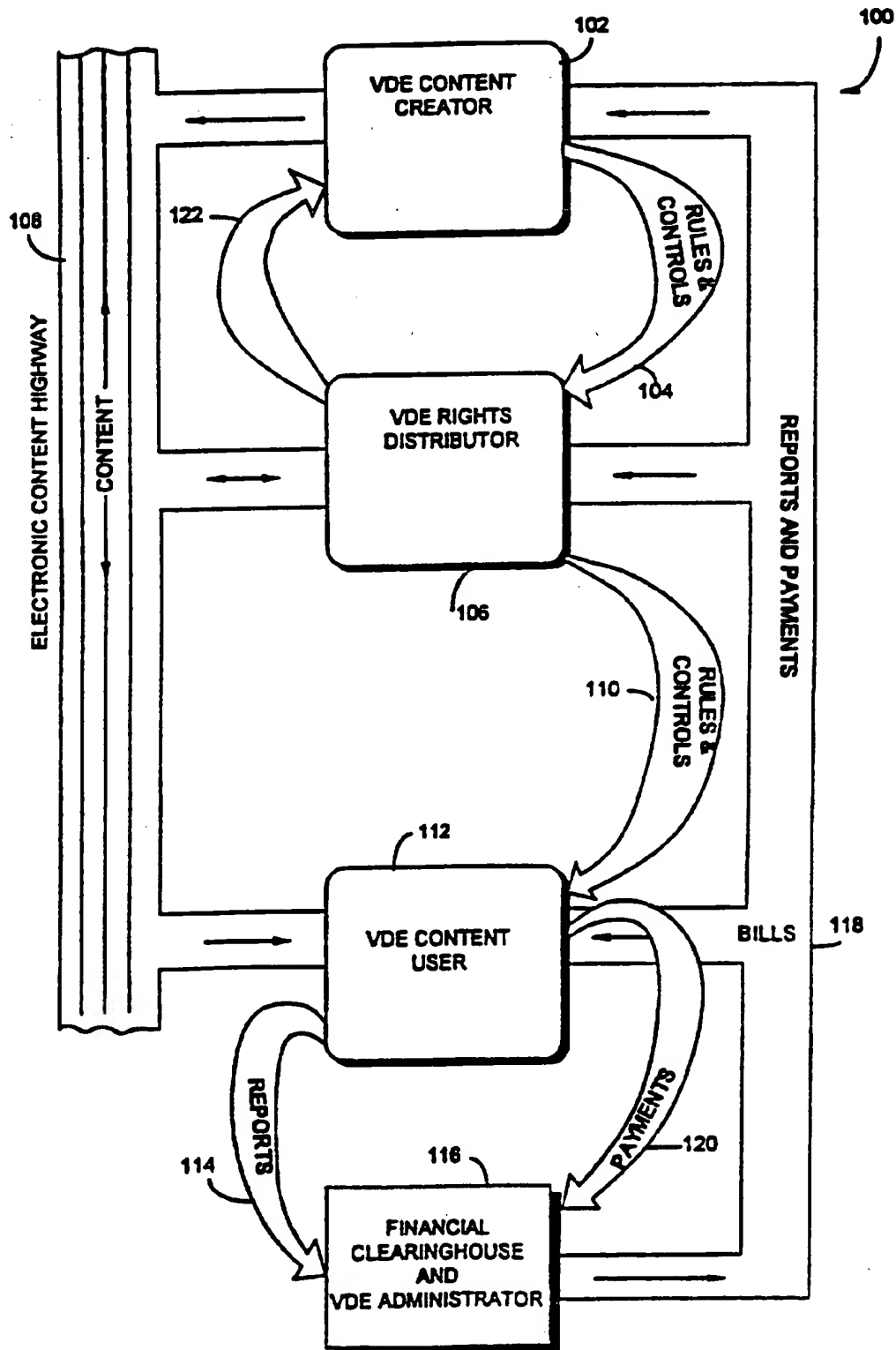


FIG. 2A

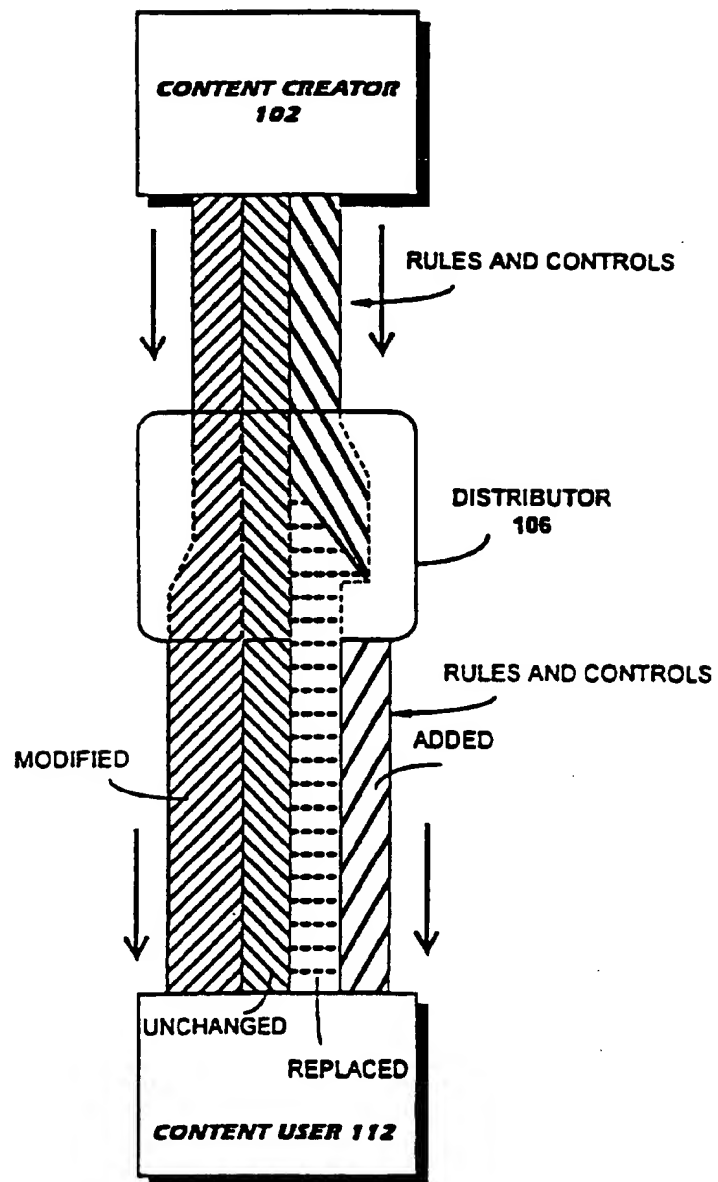
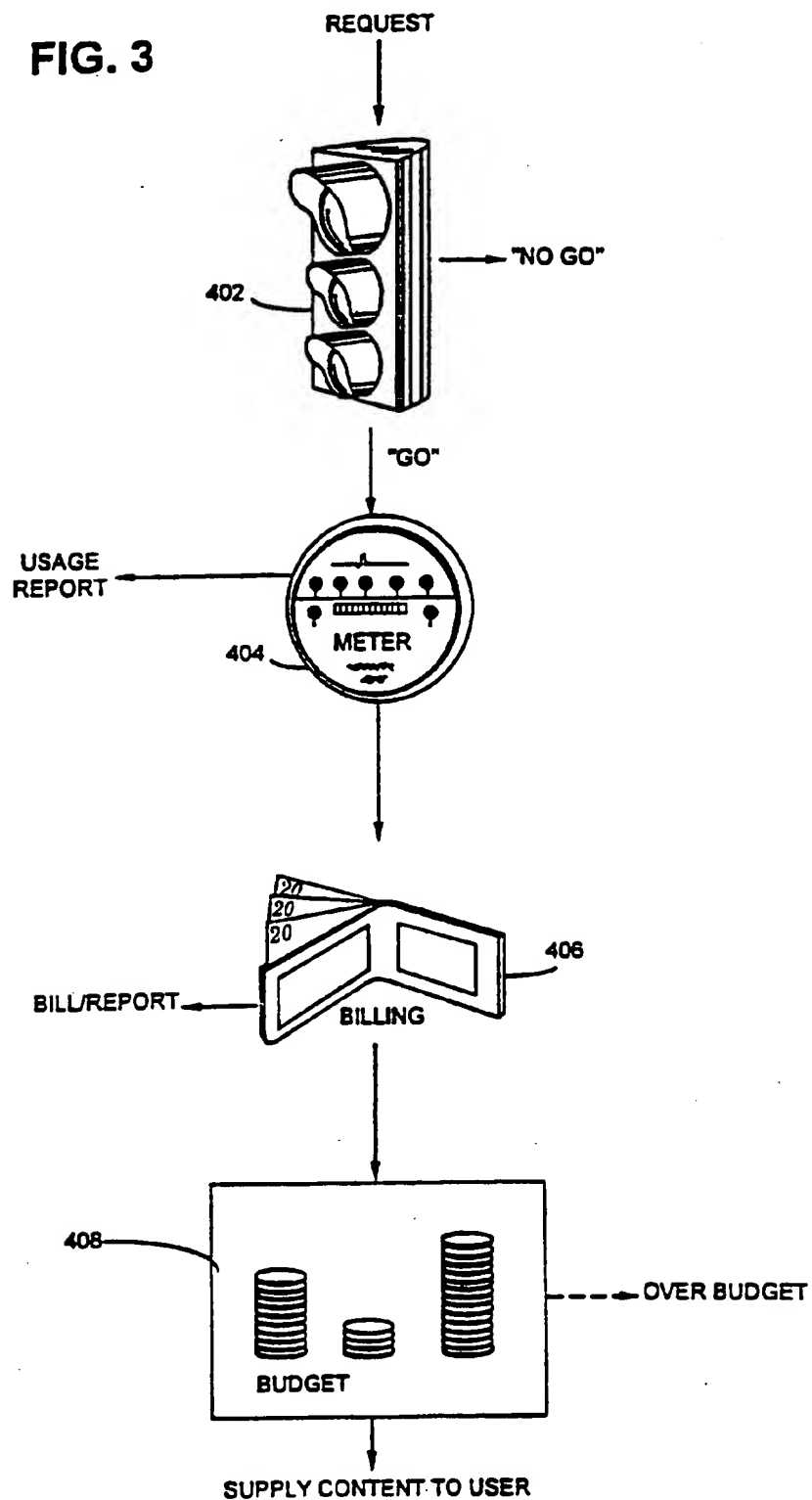


FIG. 3



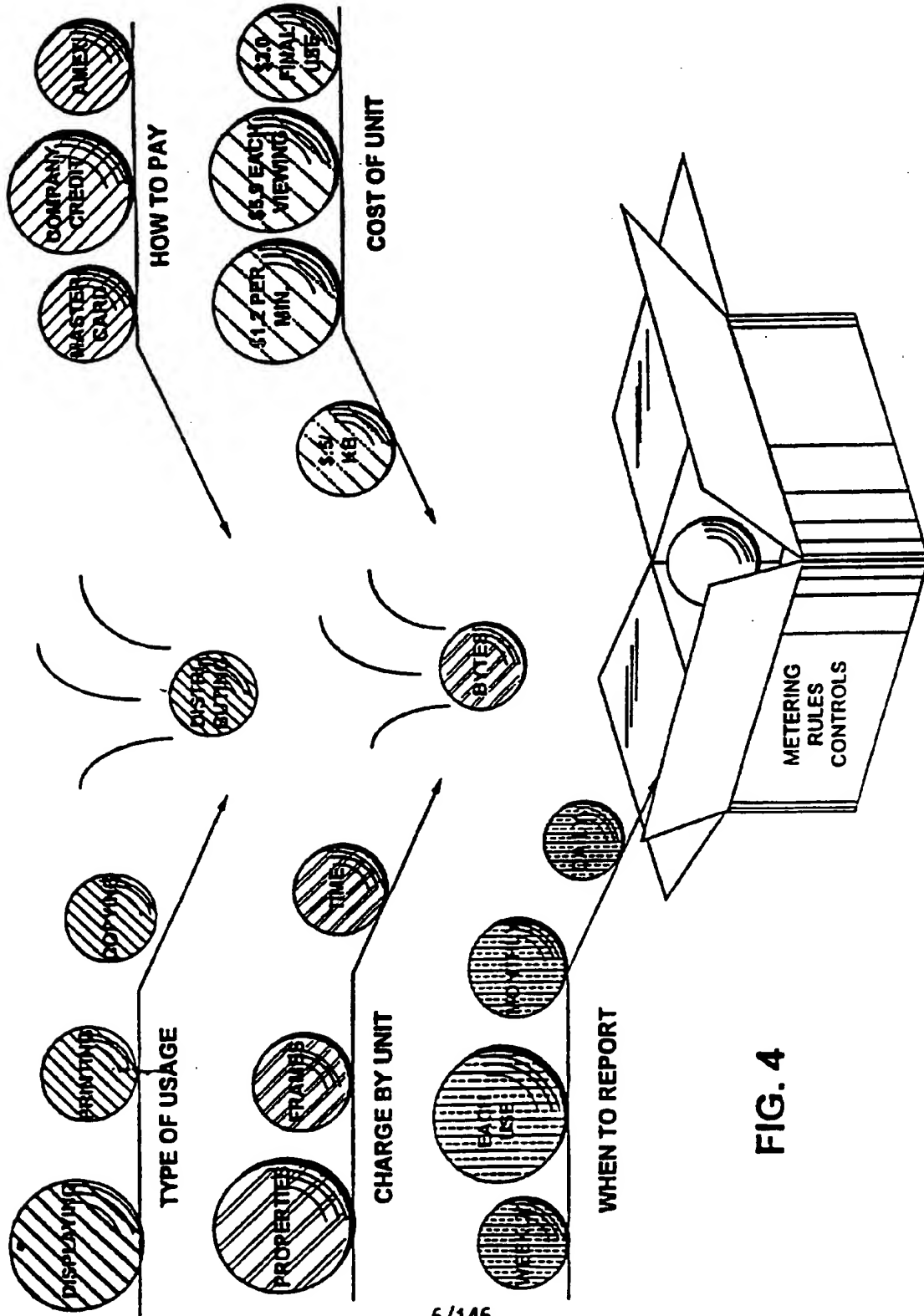
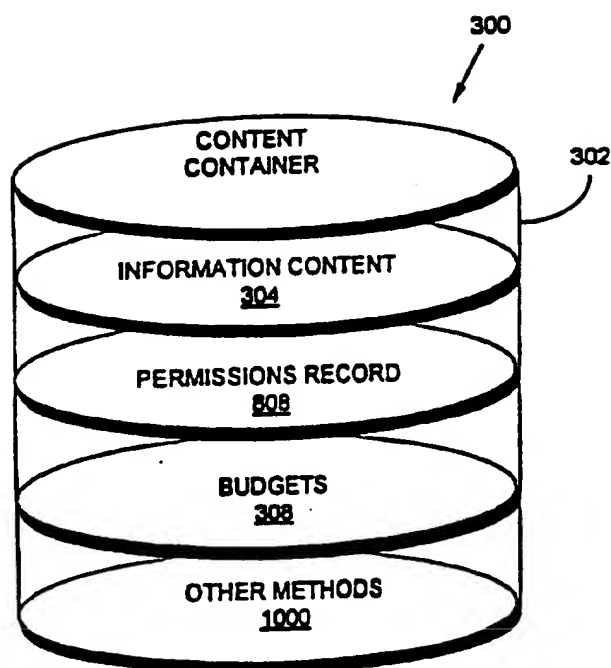


FIG. 4

FIG. 5A



**FIG. 5B**

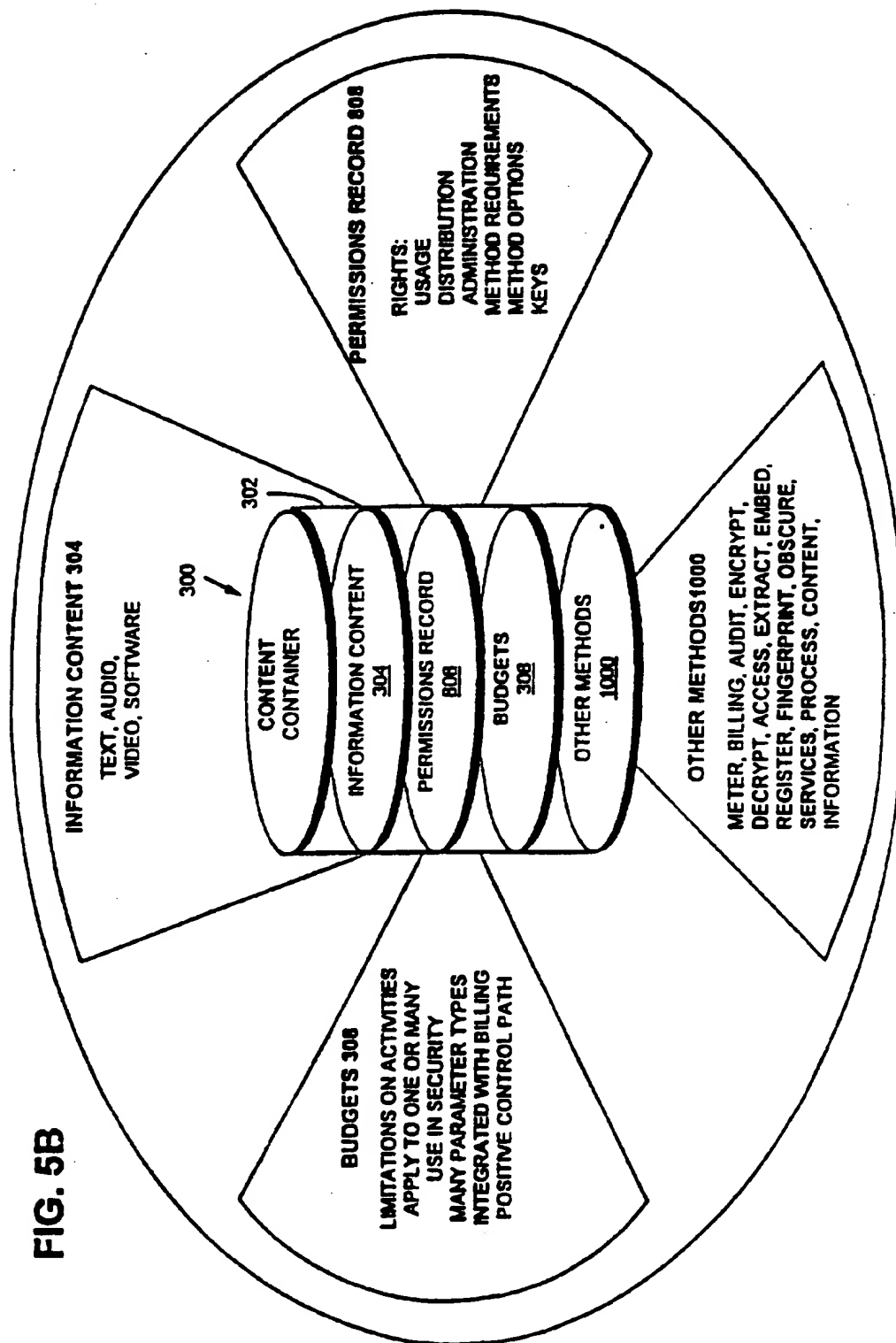
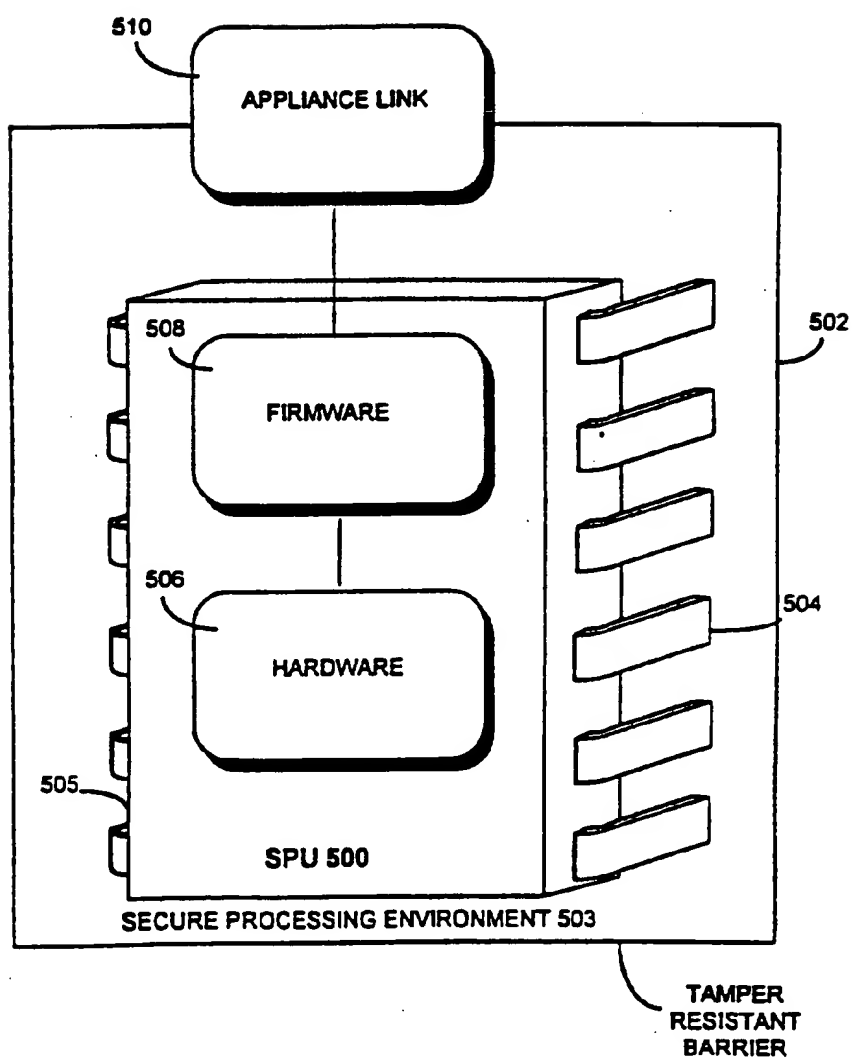
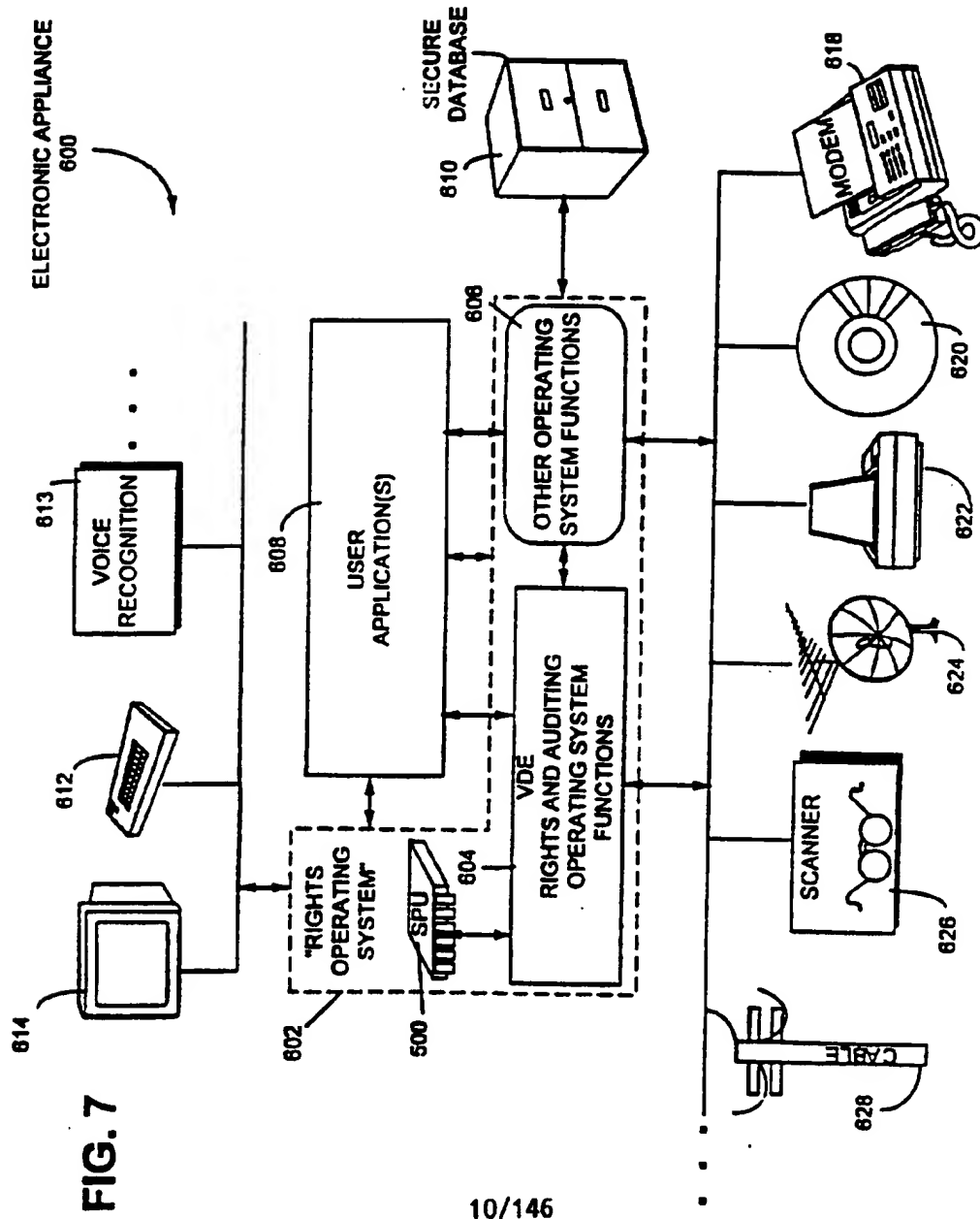


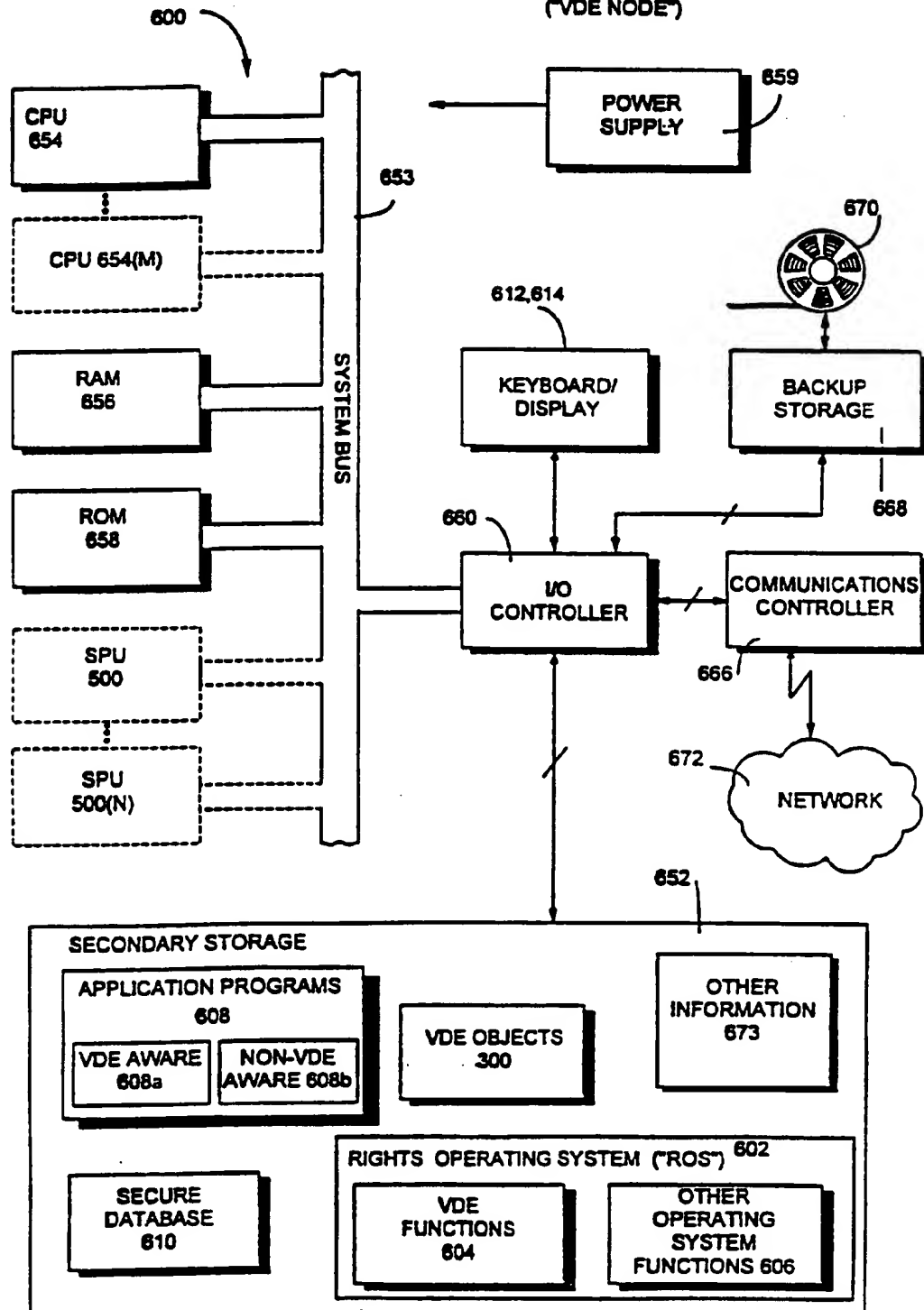
FIG. 6







**FIG. 8** ELECTRONIC APPLIANCE 600  
(“VDE NODE”)



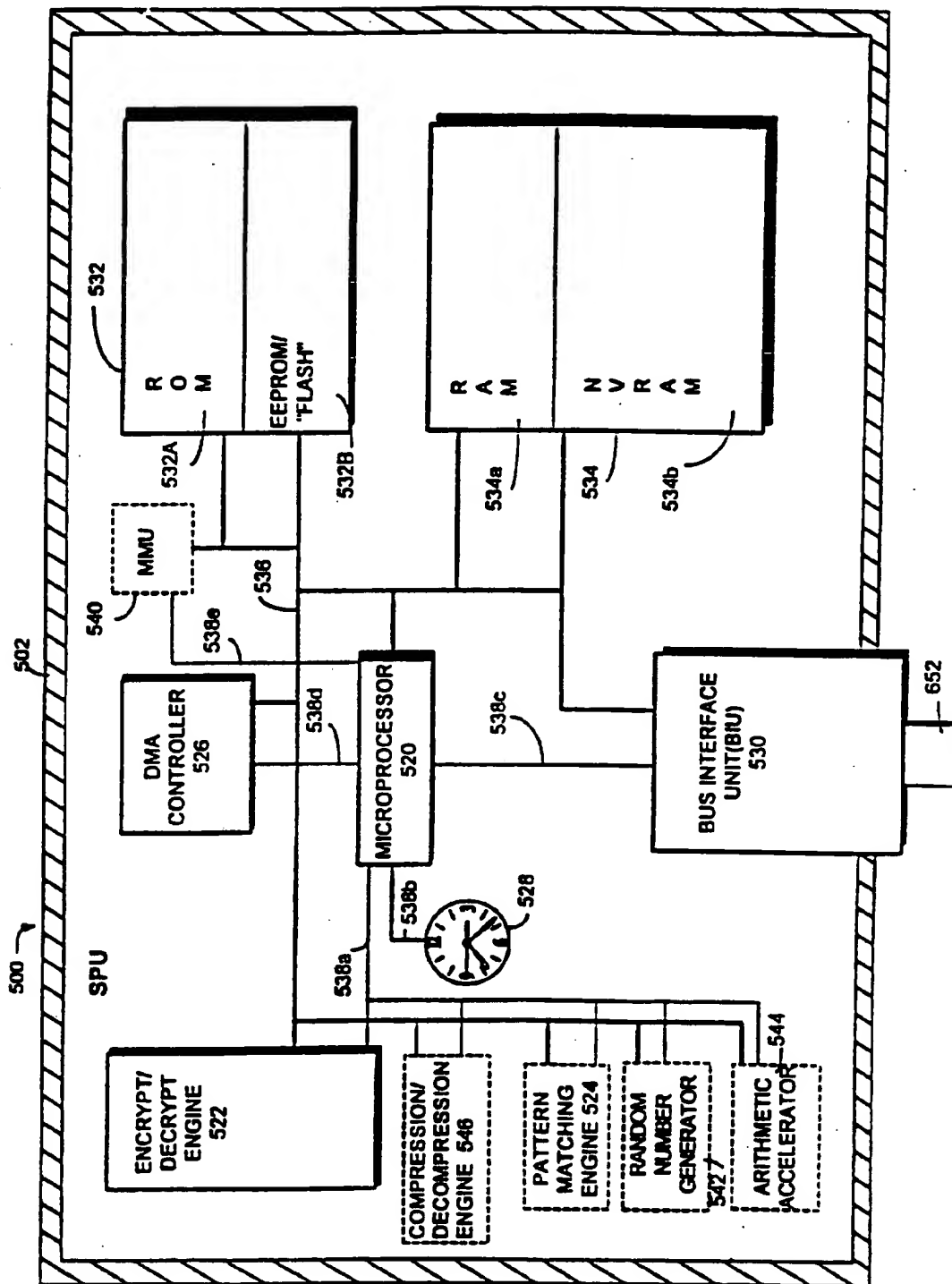


FIG. 9

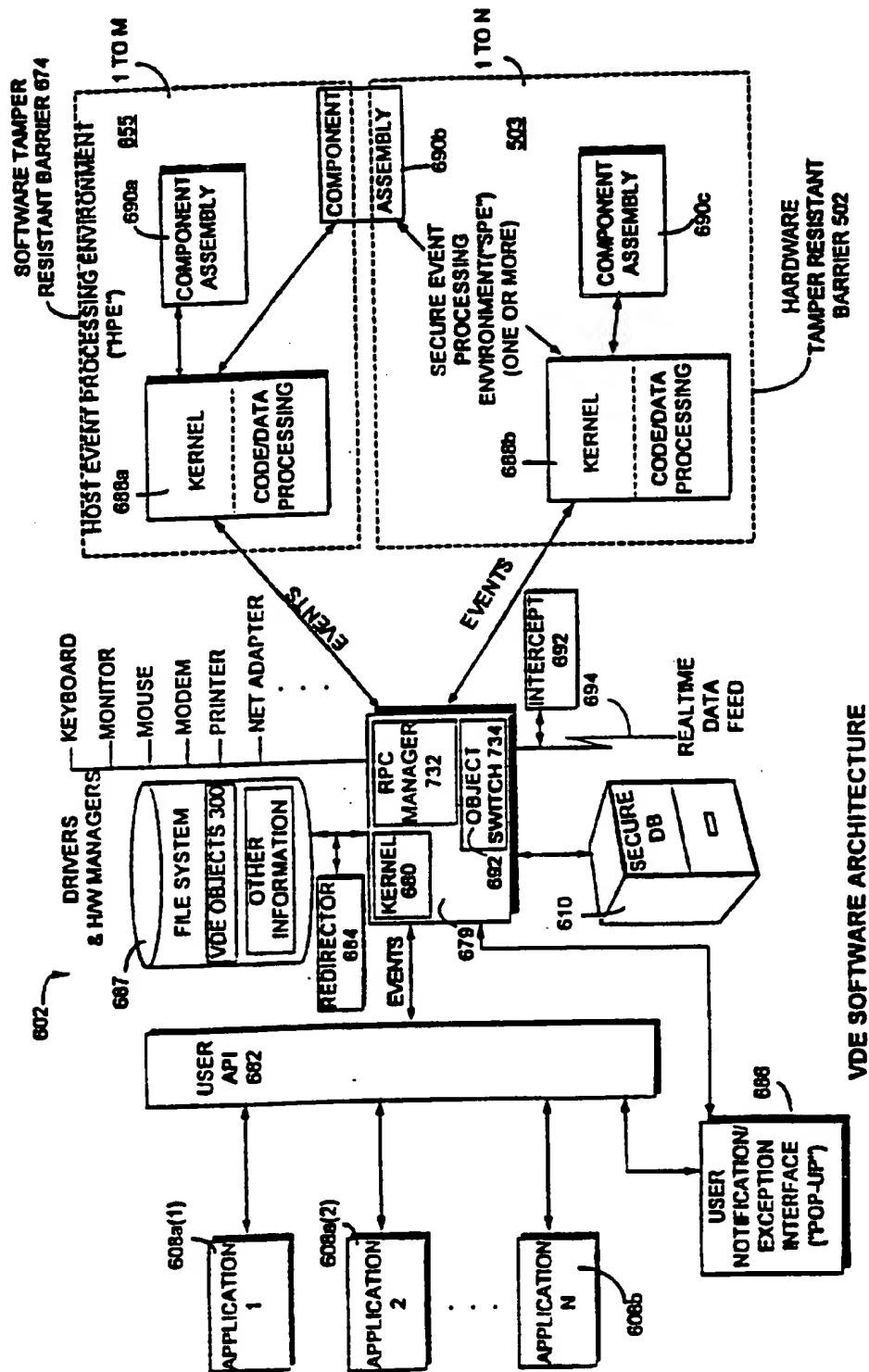


FIG. 11C

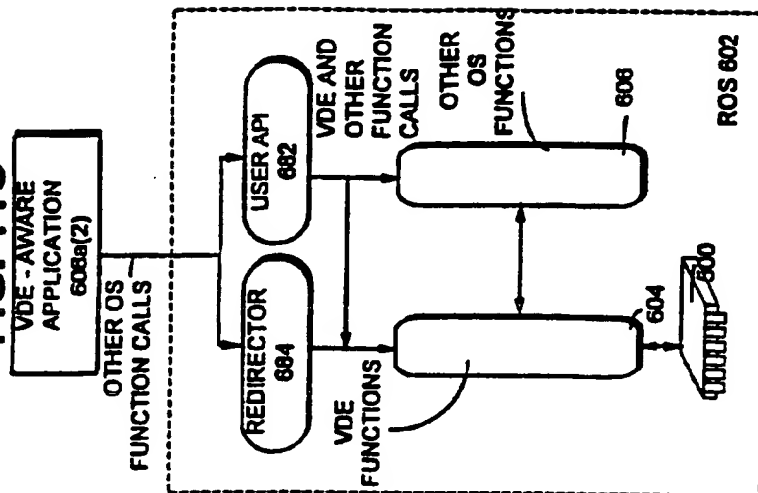


FIG. 11B

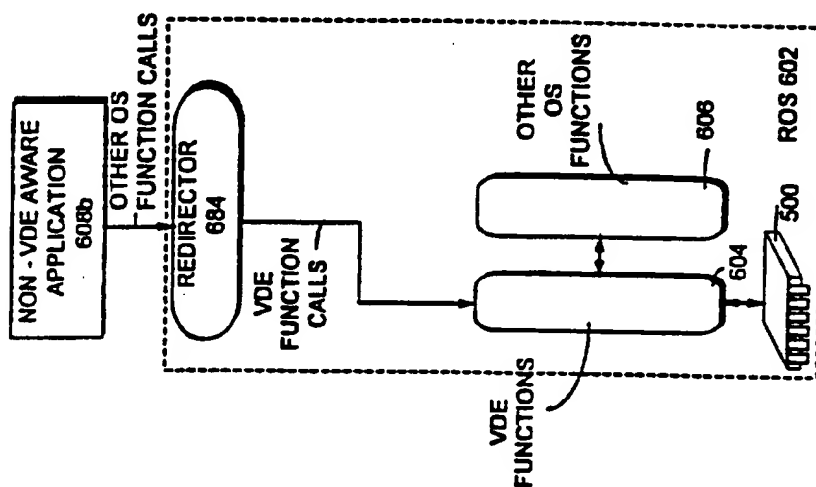
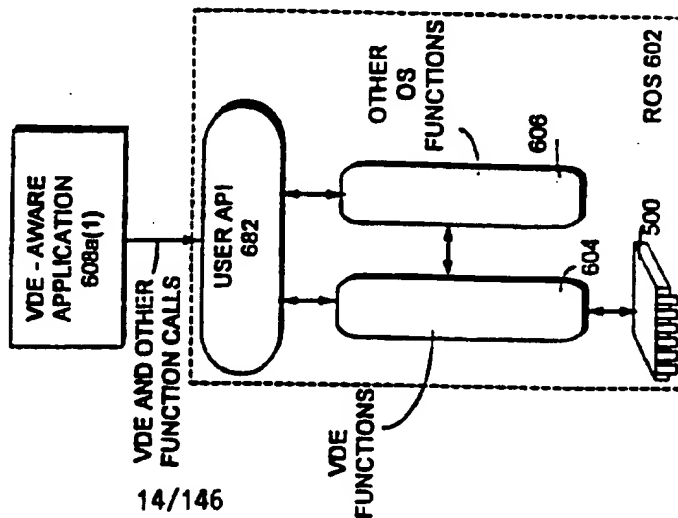
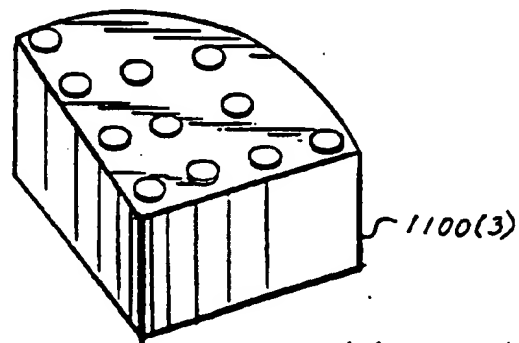
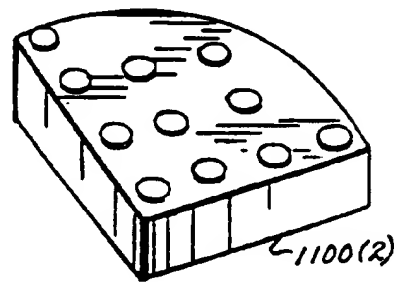
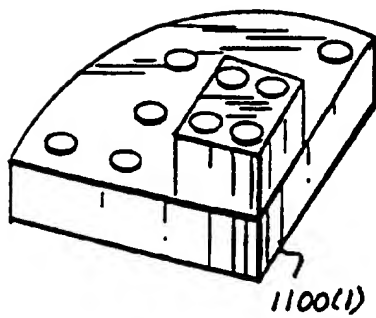
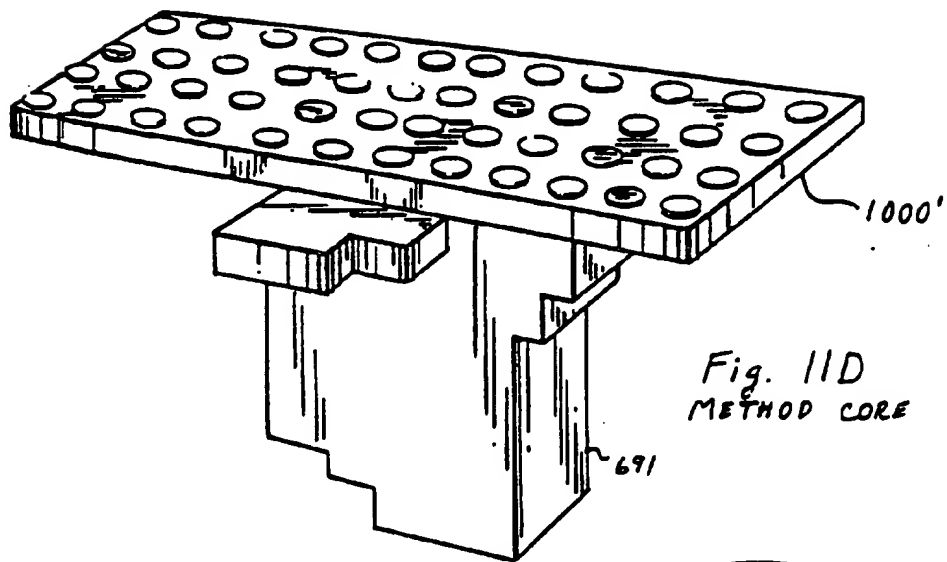


FIG. 11A





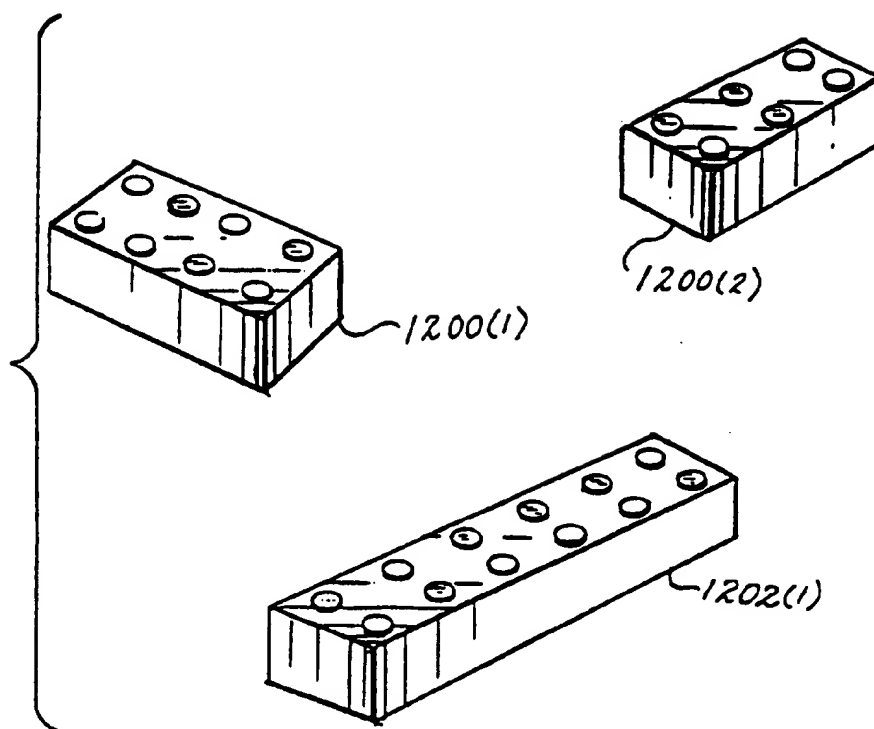
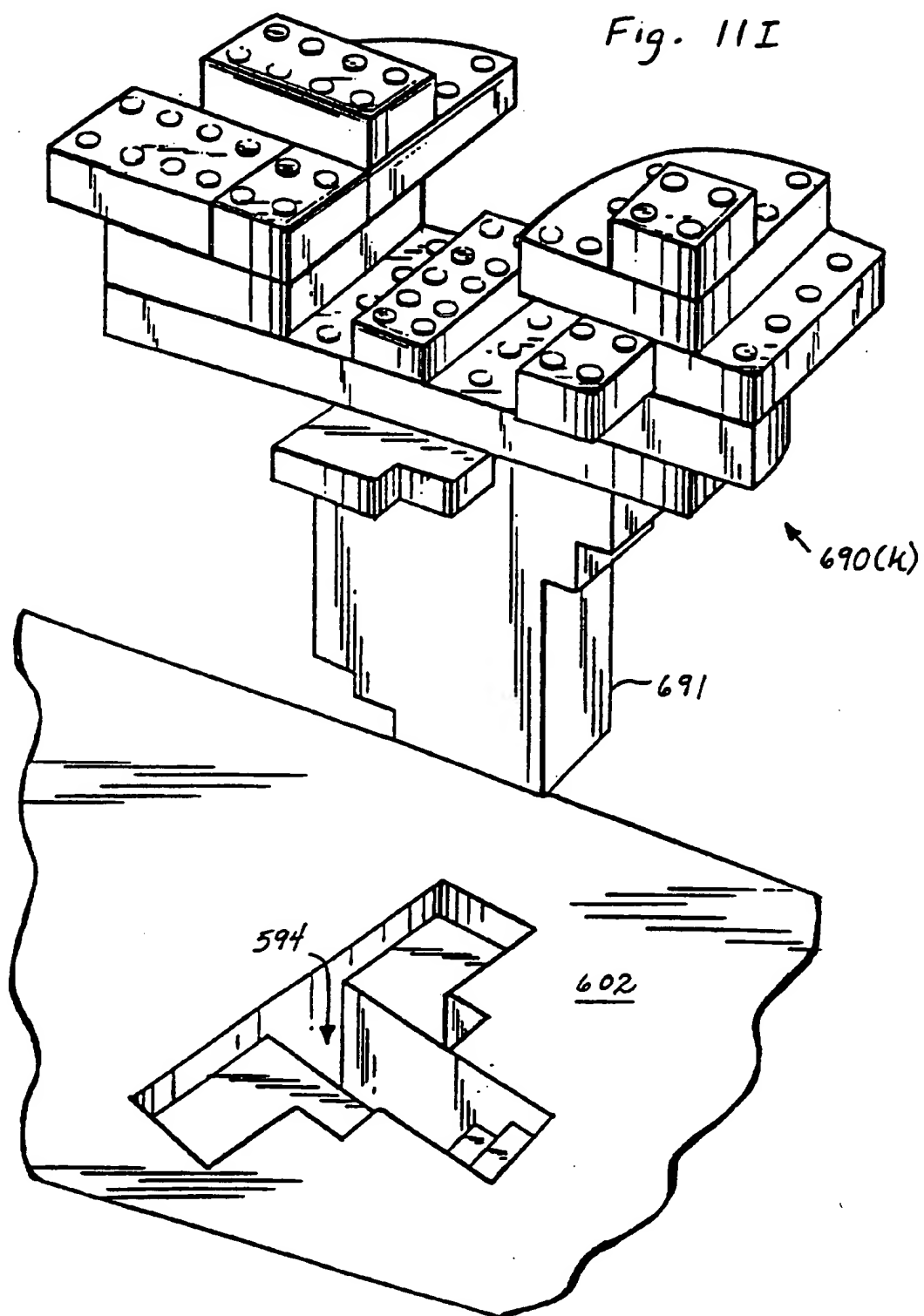


Fig. 11H  
DATA STRUCTURES



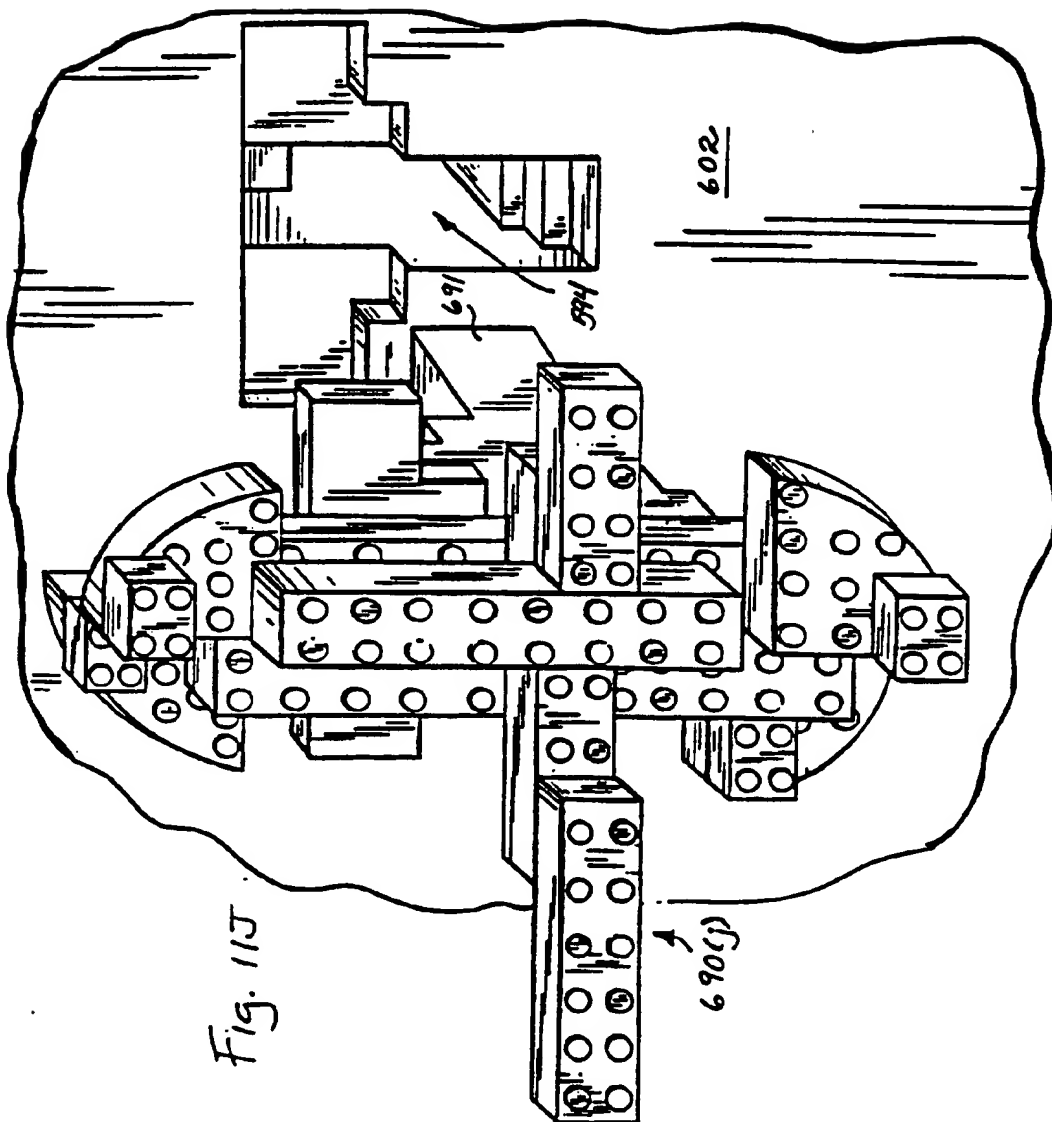
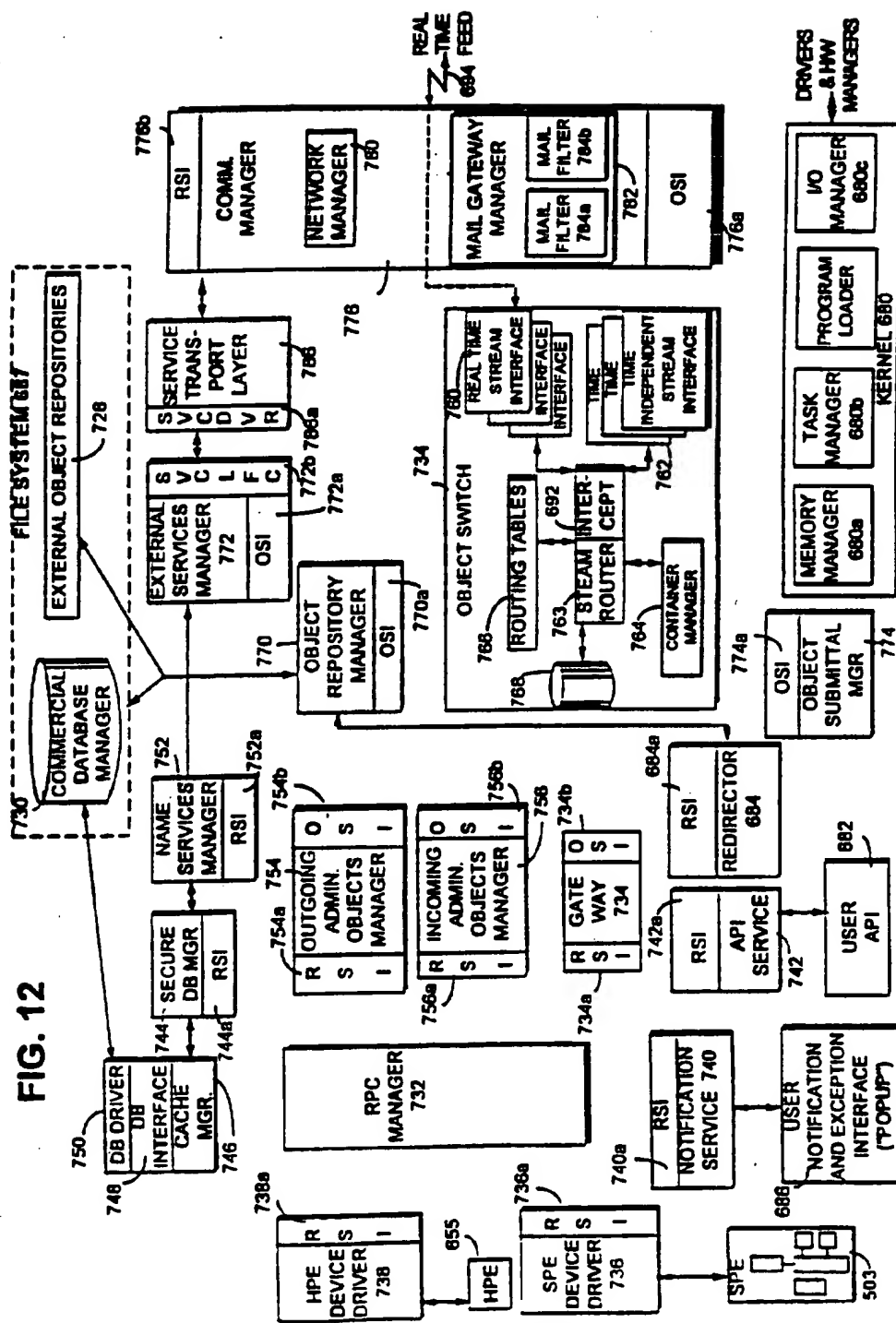


Fig. 11J



**FIG. 12**



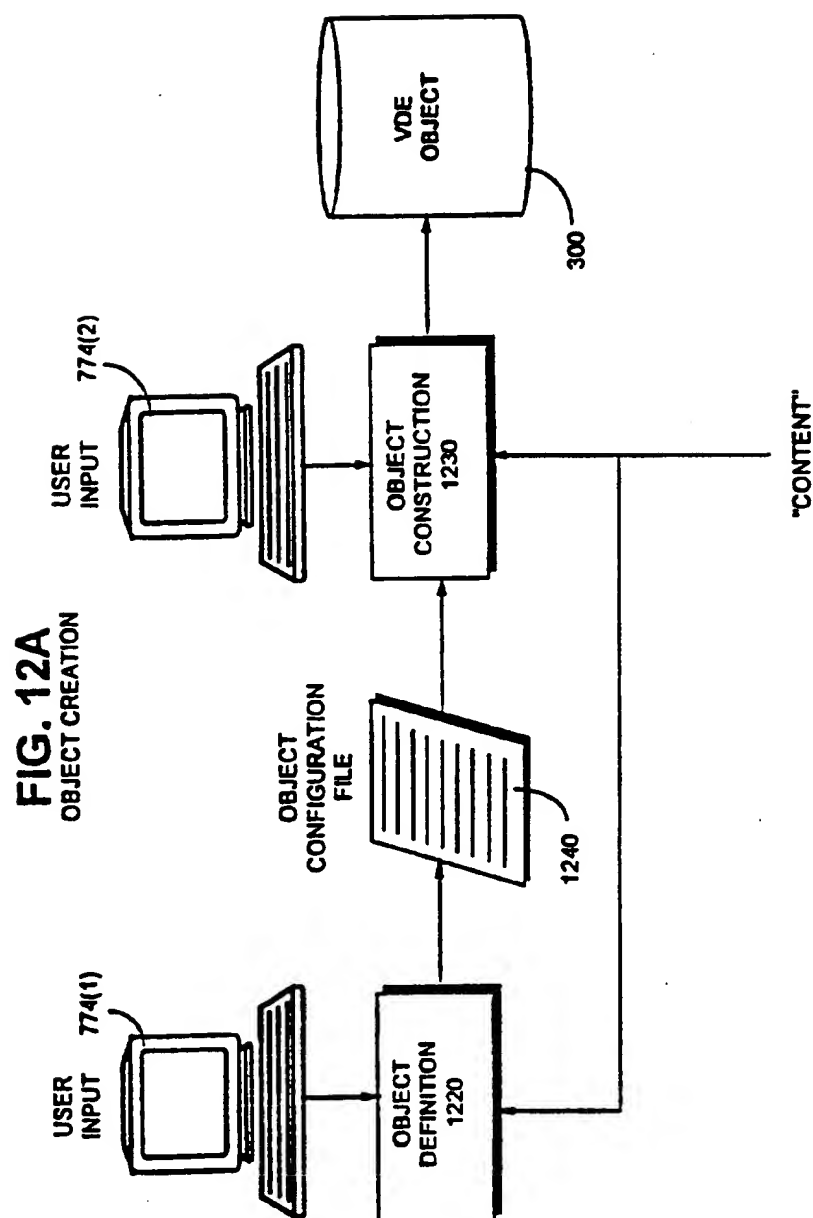
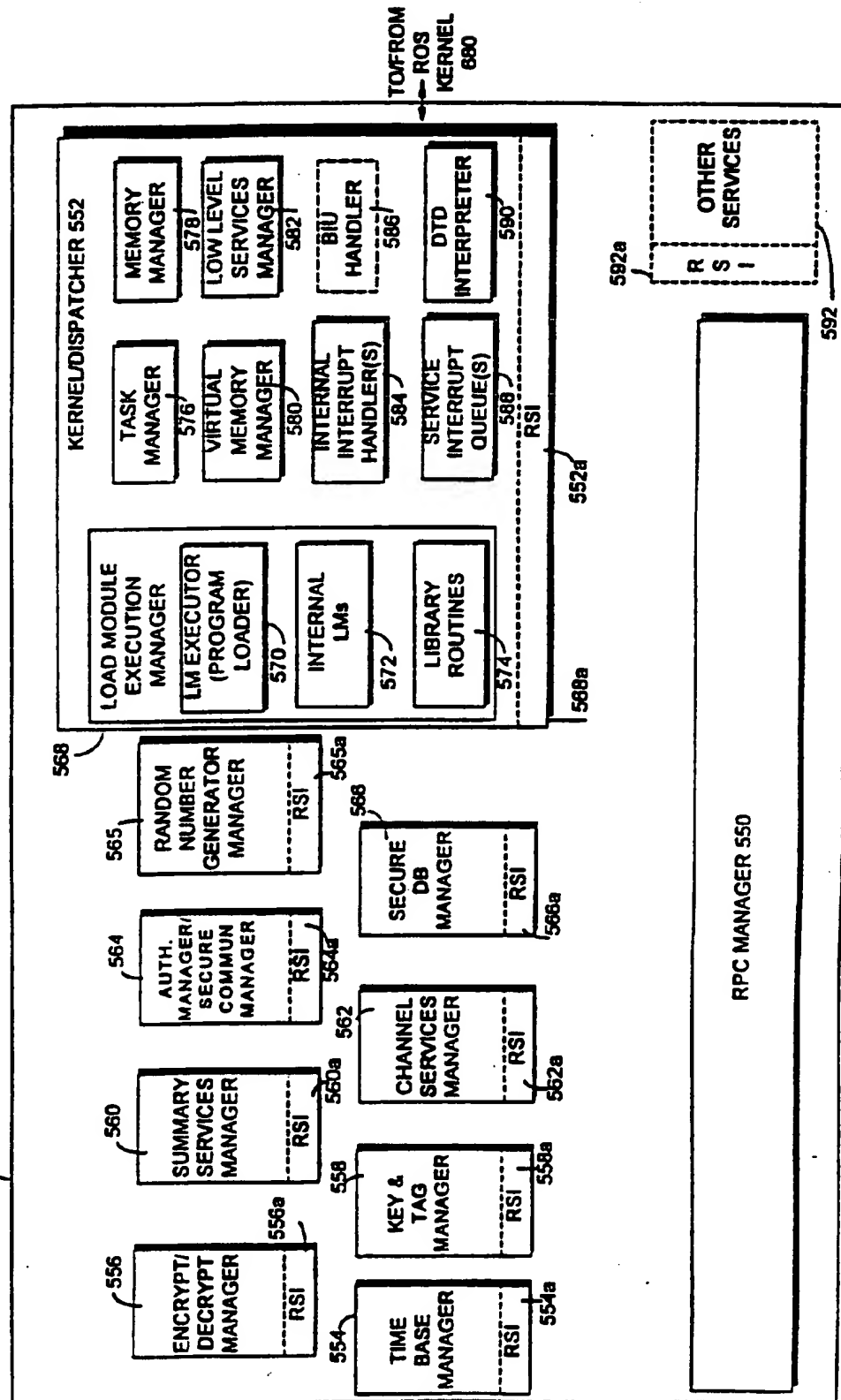


FIG. 13

PROTECTED PROCESSING ENVIRONMENT 650



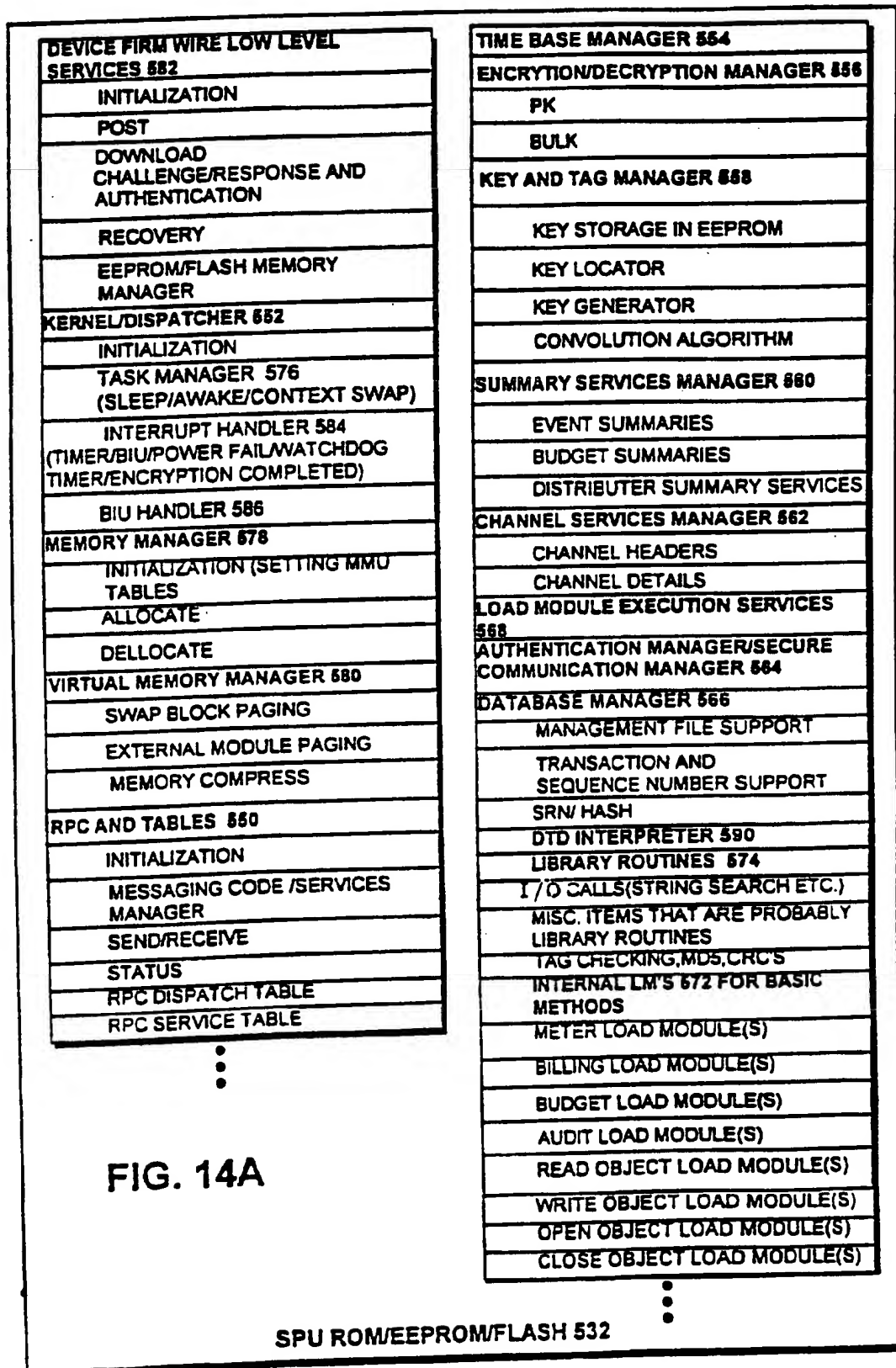


FIG. 14A

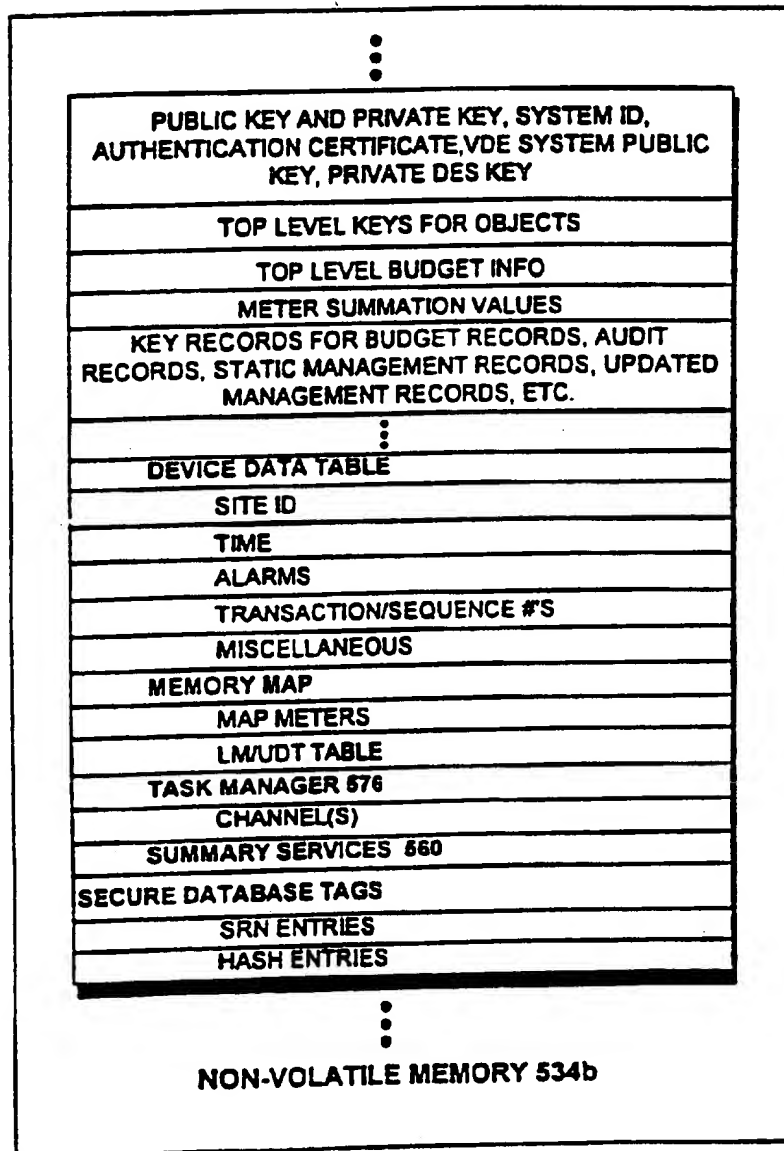
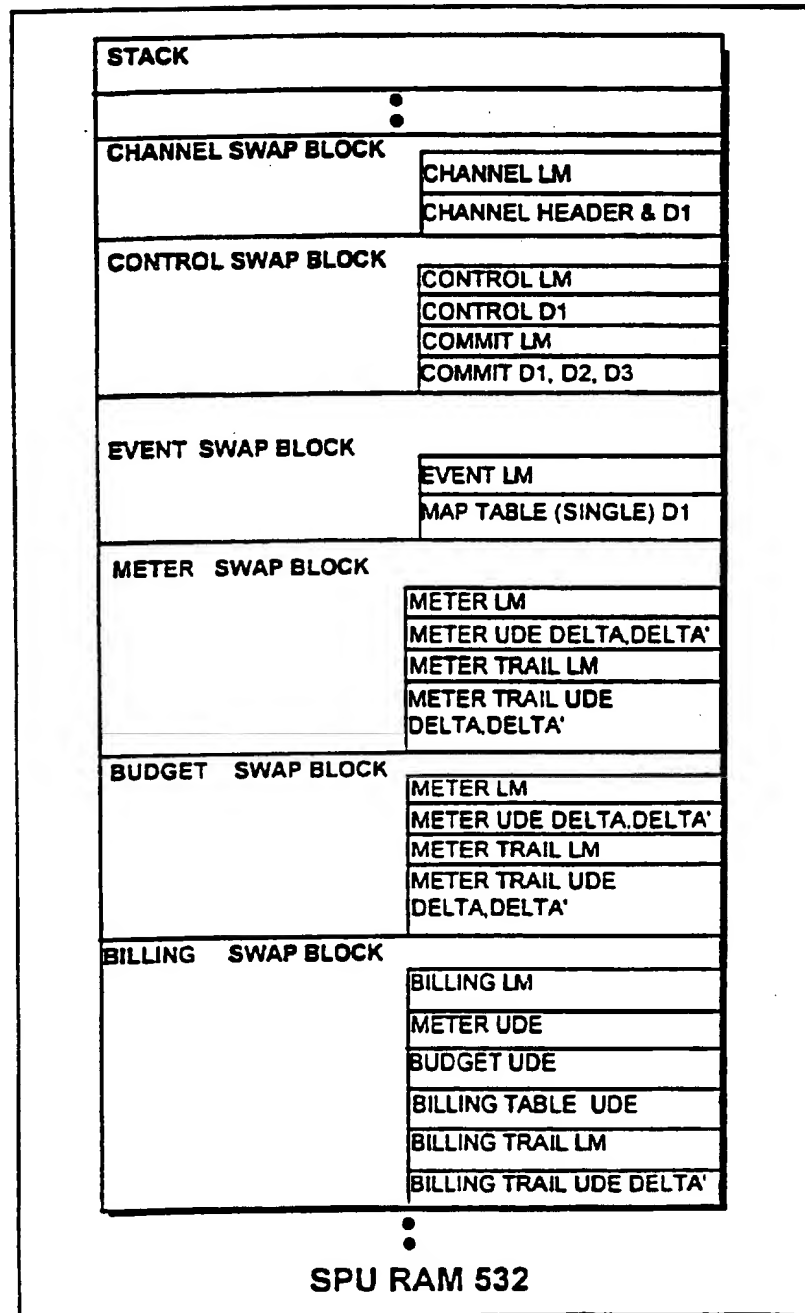
**FIG. 14B**

FIG. 14C



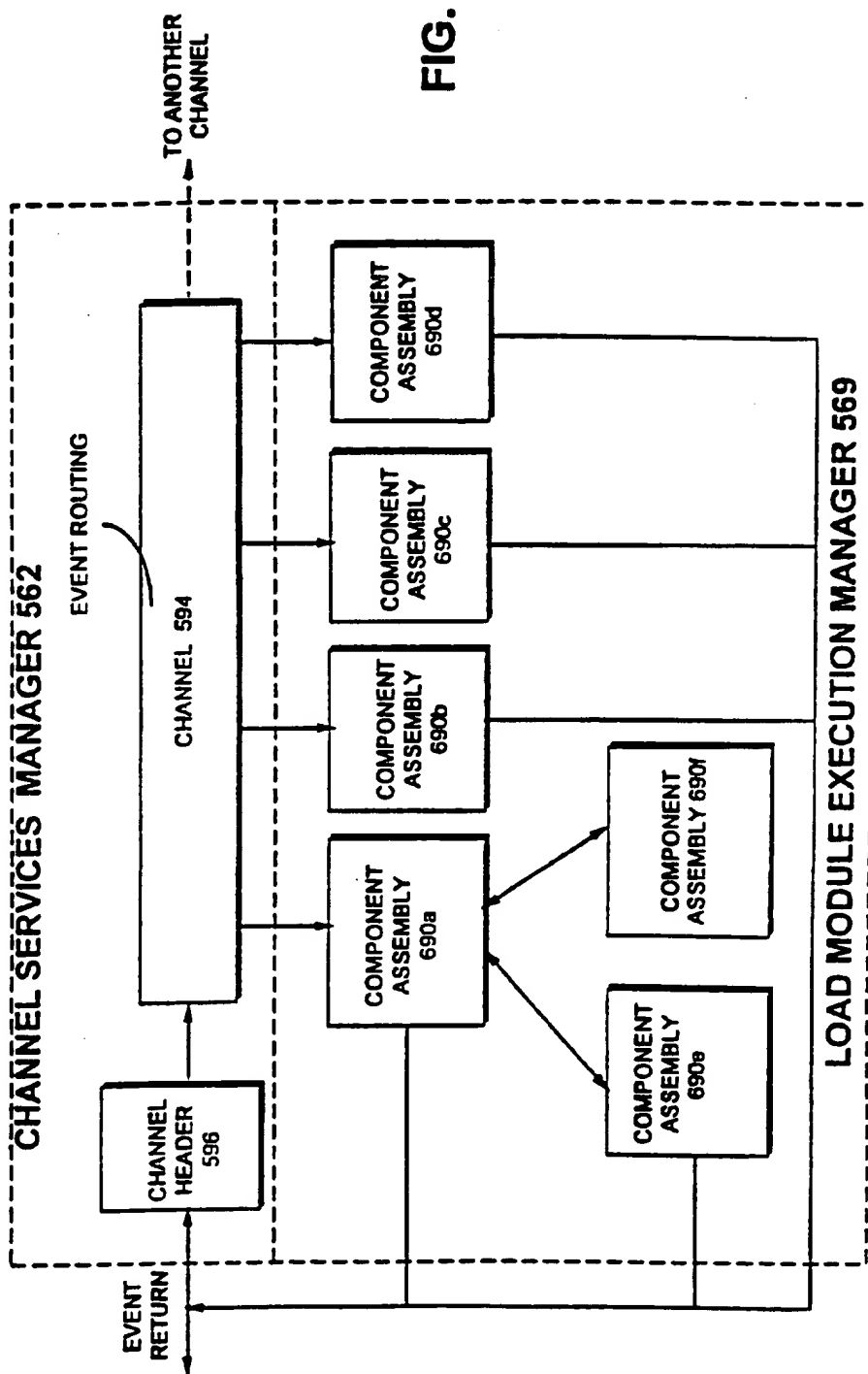


FIG. 15

FIG. 15A

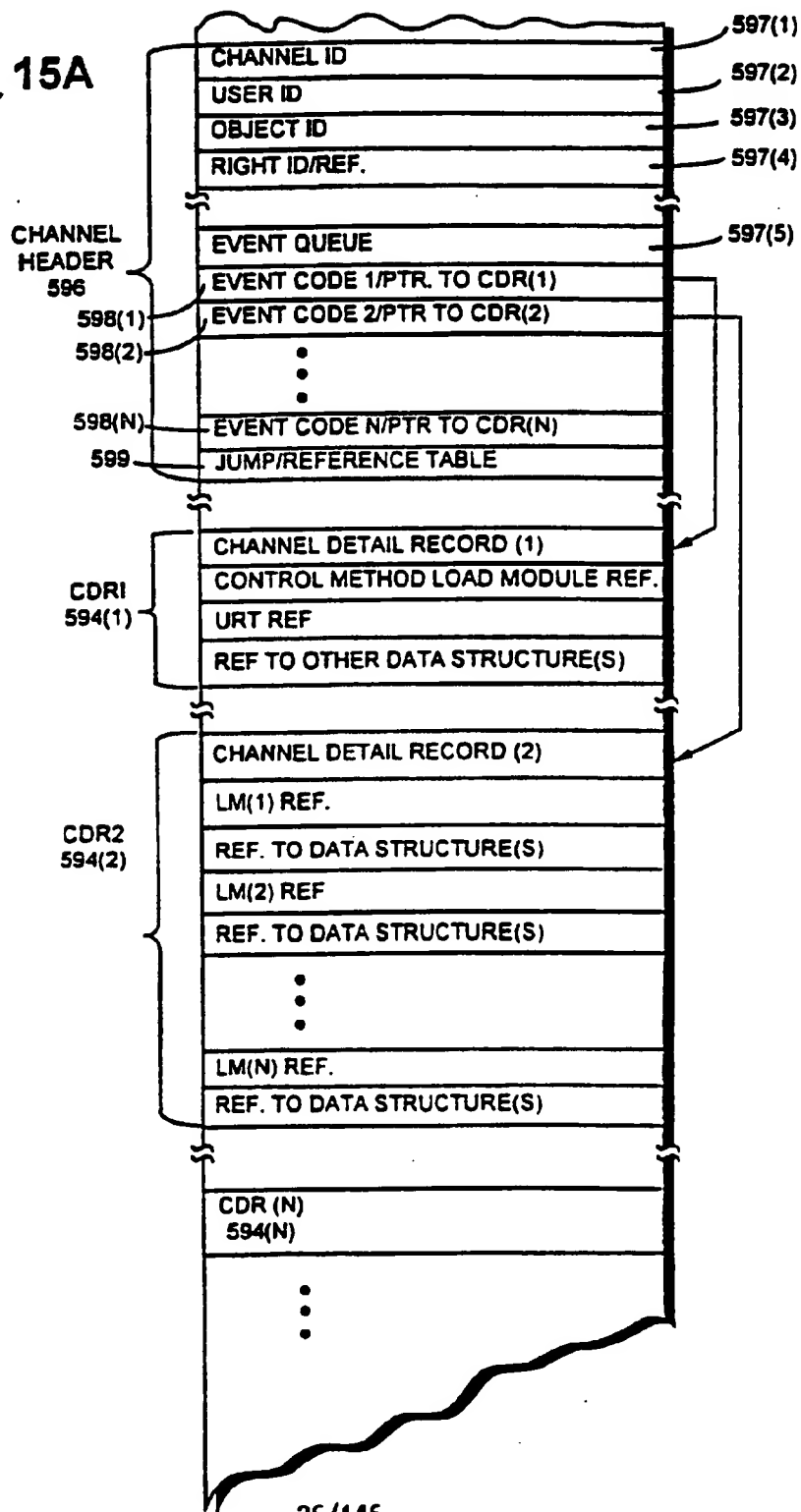




FIG. 15B

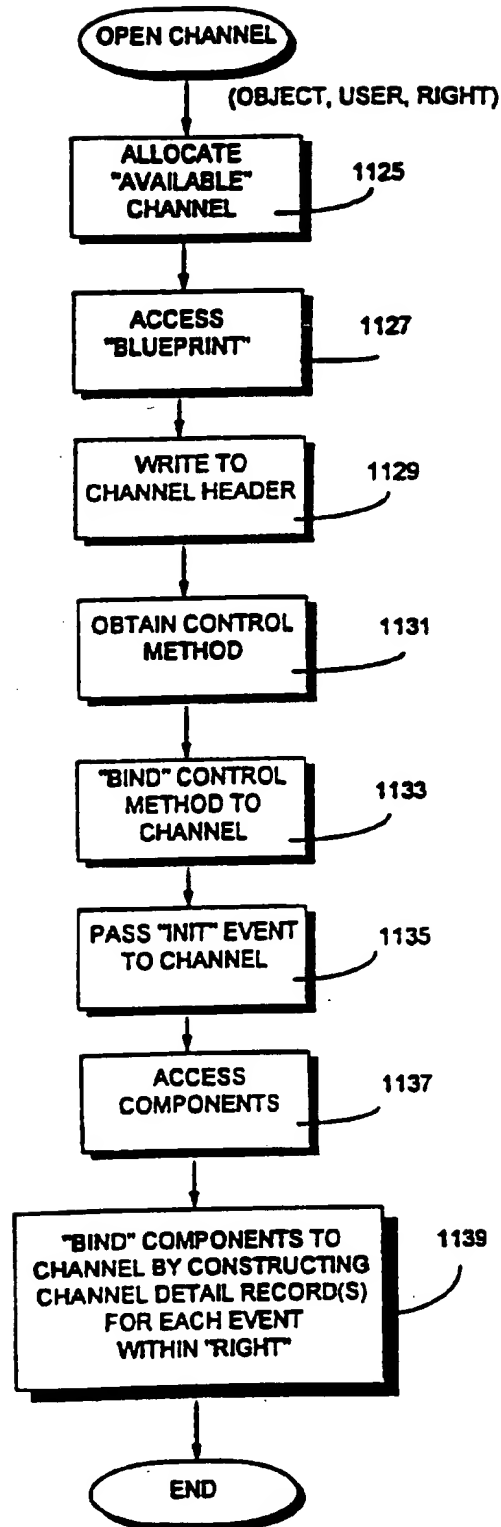
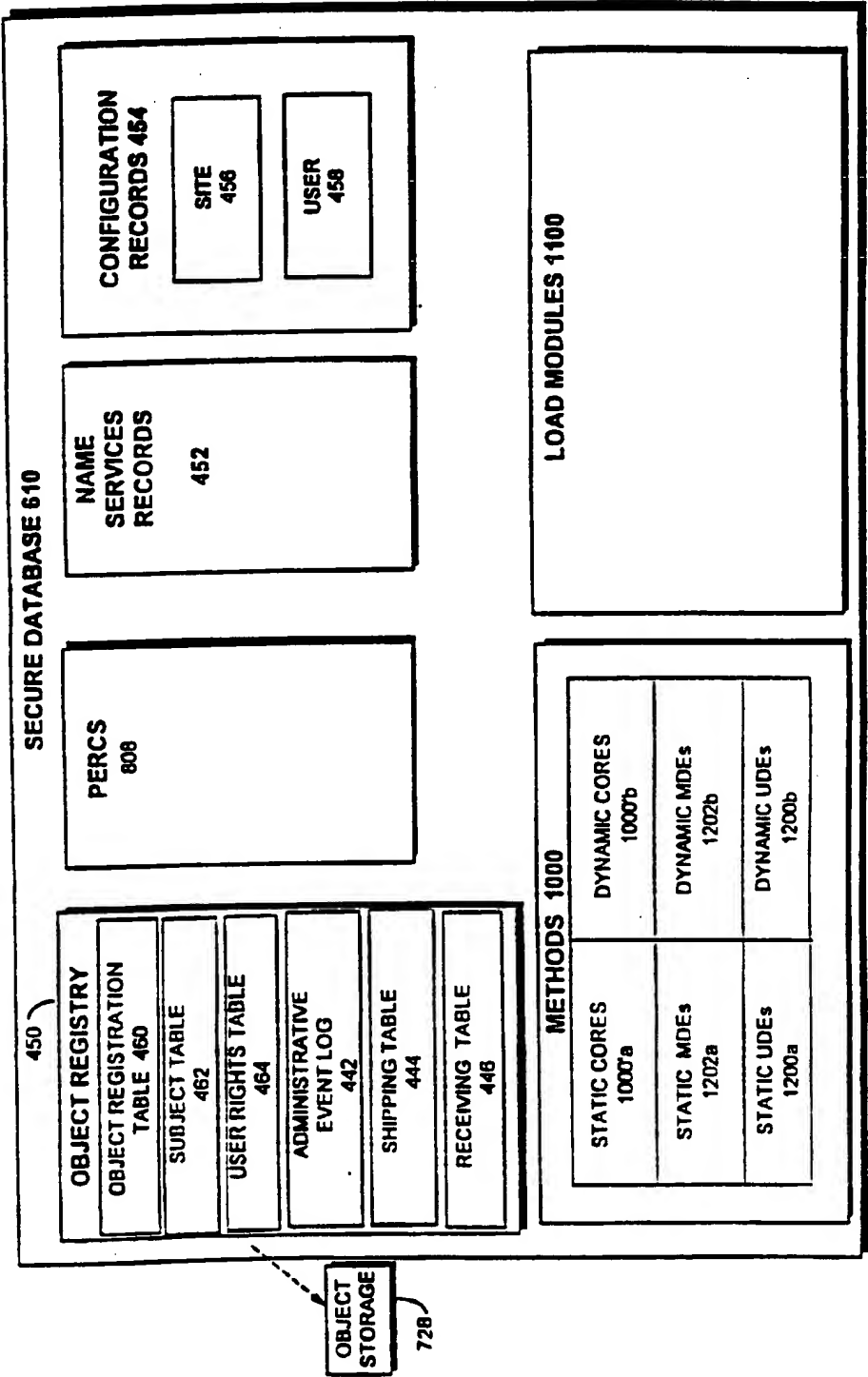
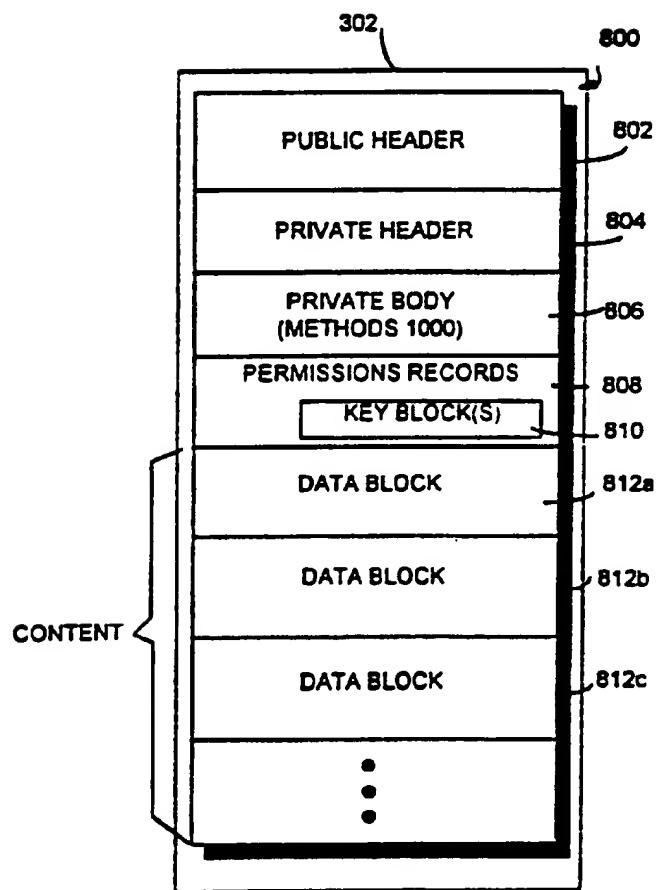


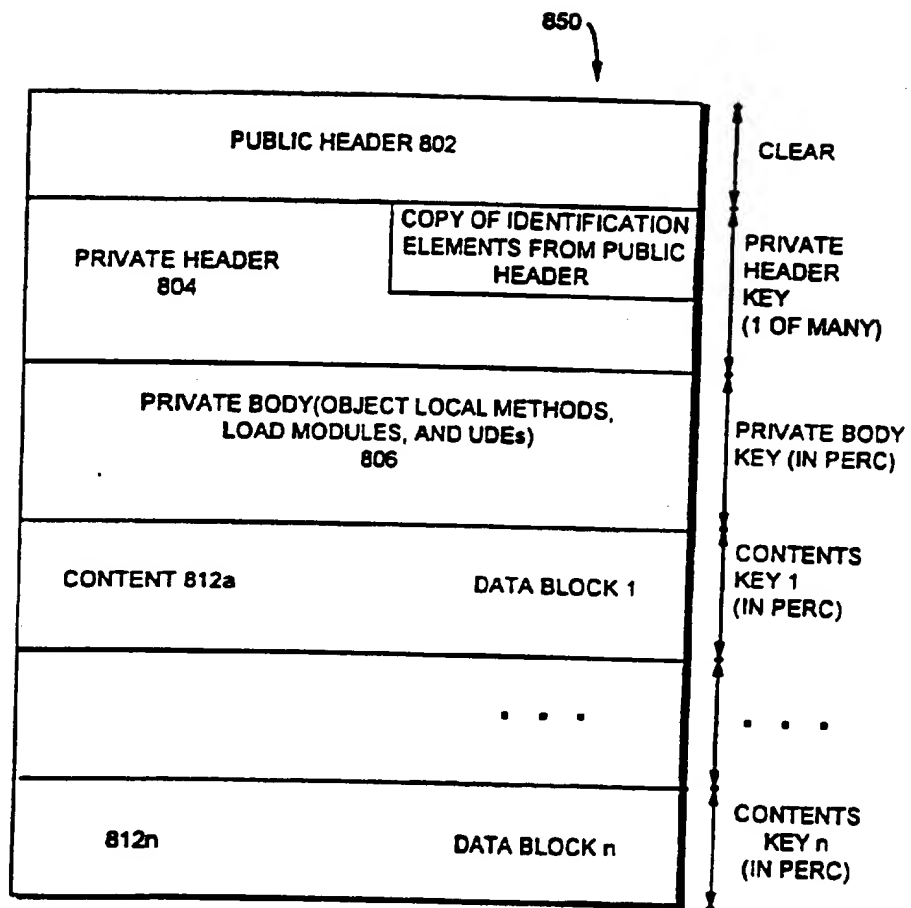
FIG. 16





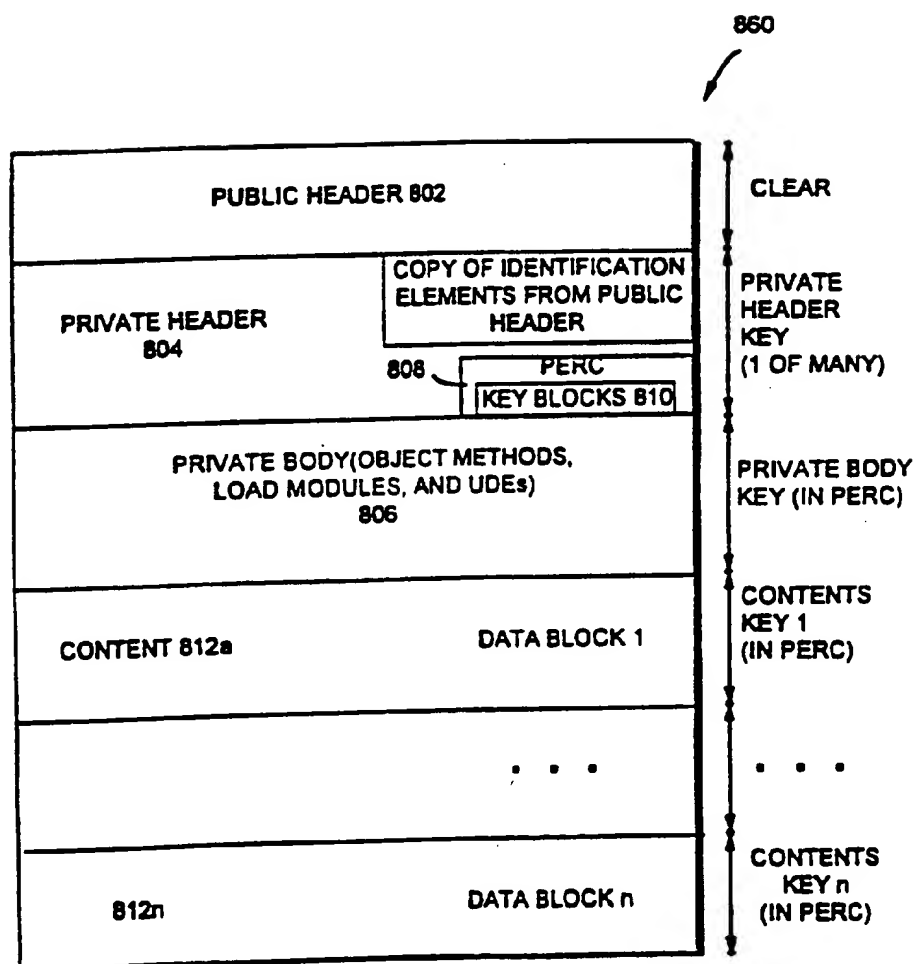
LOGICAL OBJECT

**FIG. 17**



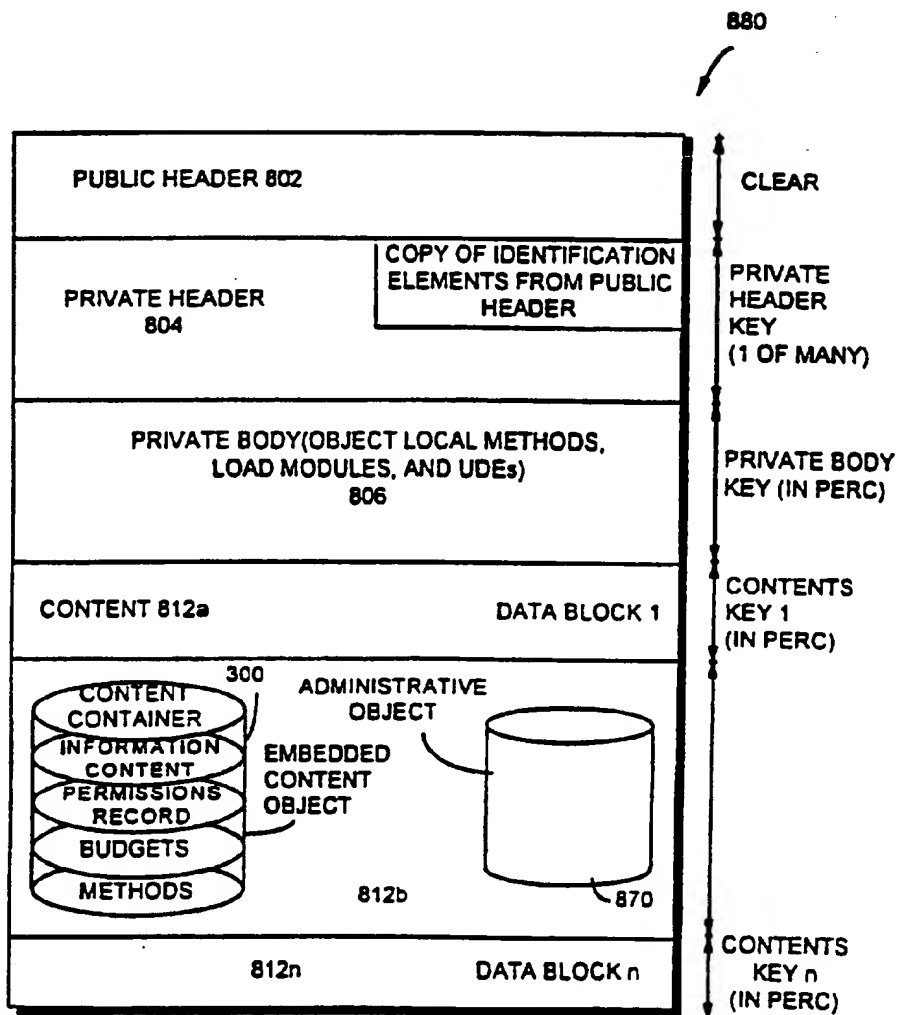
STATIONARY OBJECT

FIG. 18



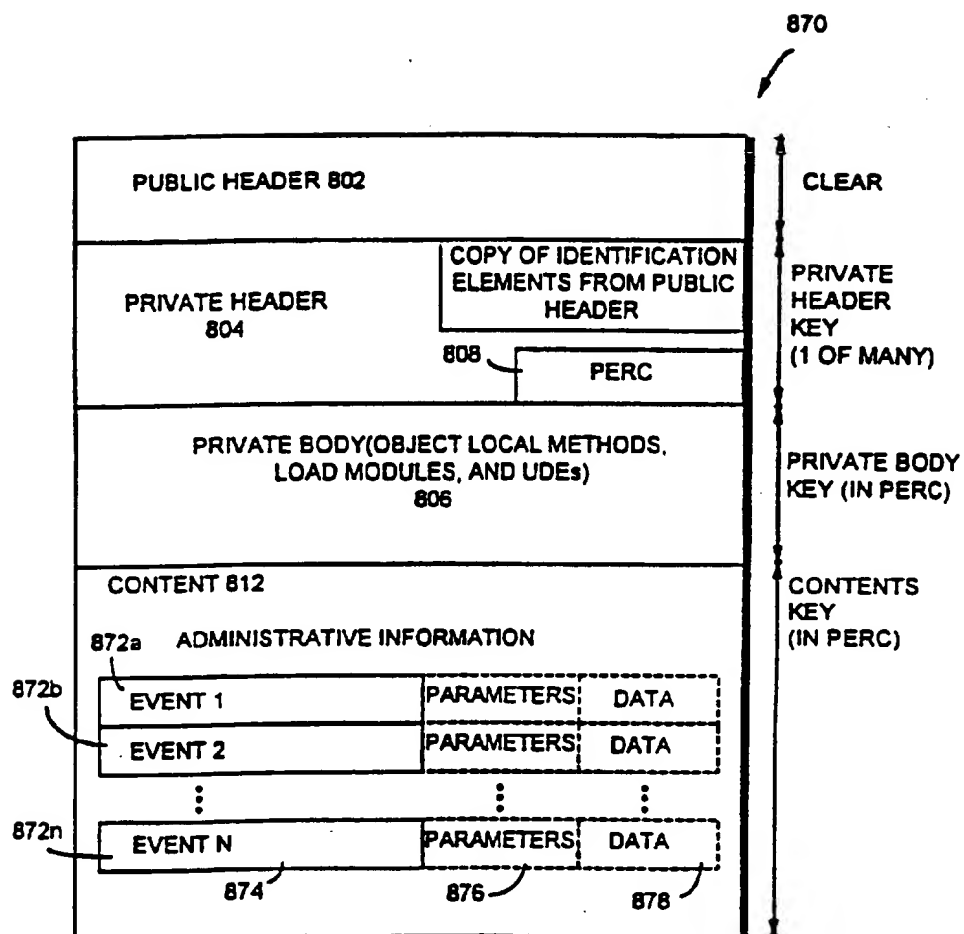
TRAVELING OBJECT

FIG. 19



CONTENT OBJECT

FIG. 20



ADMINISTRATIVE OBJECT

FIG. 21

FIG. 22

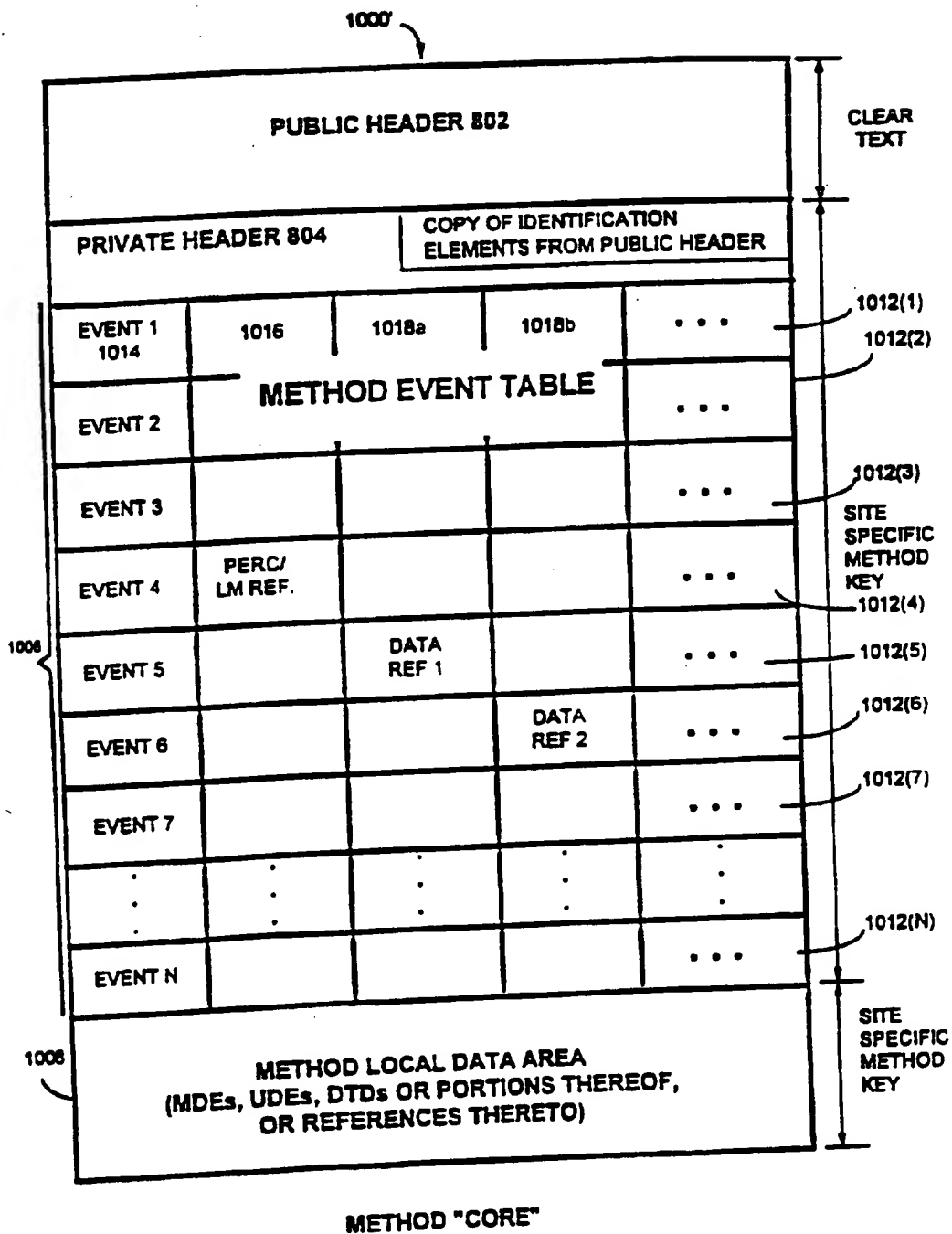
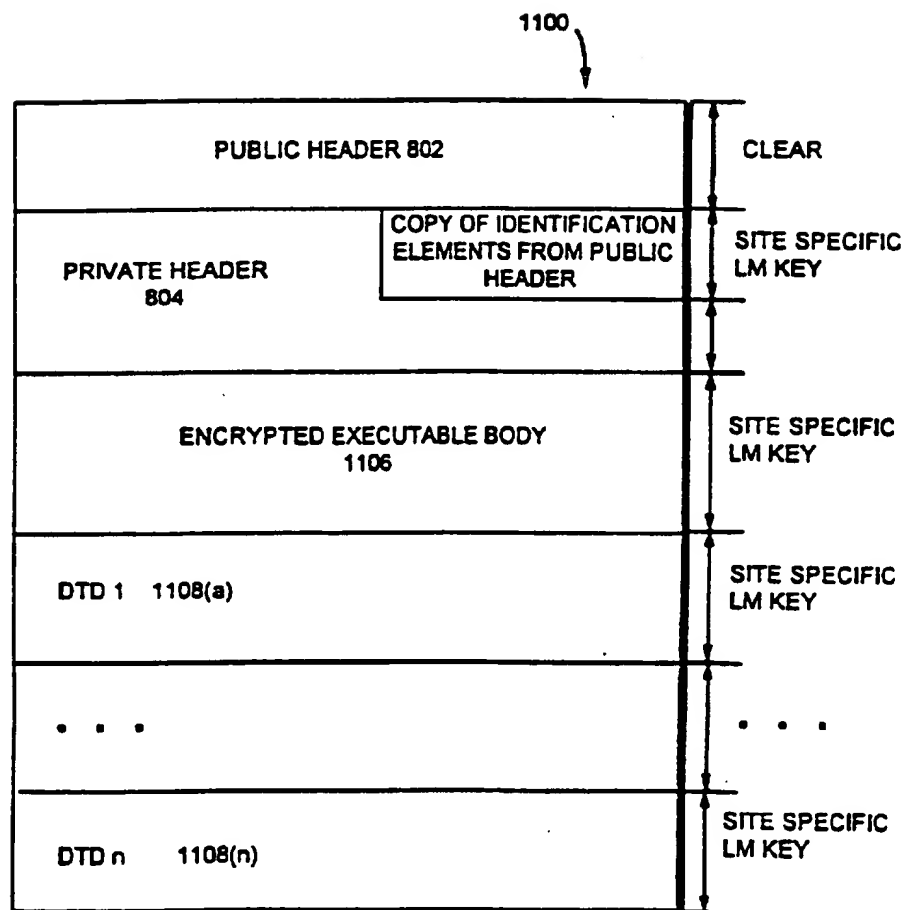


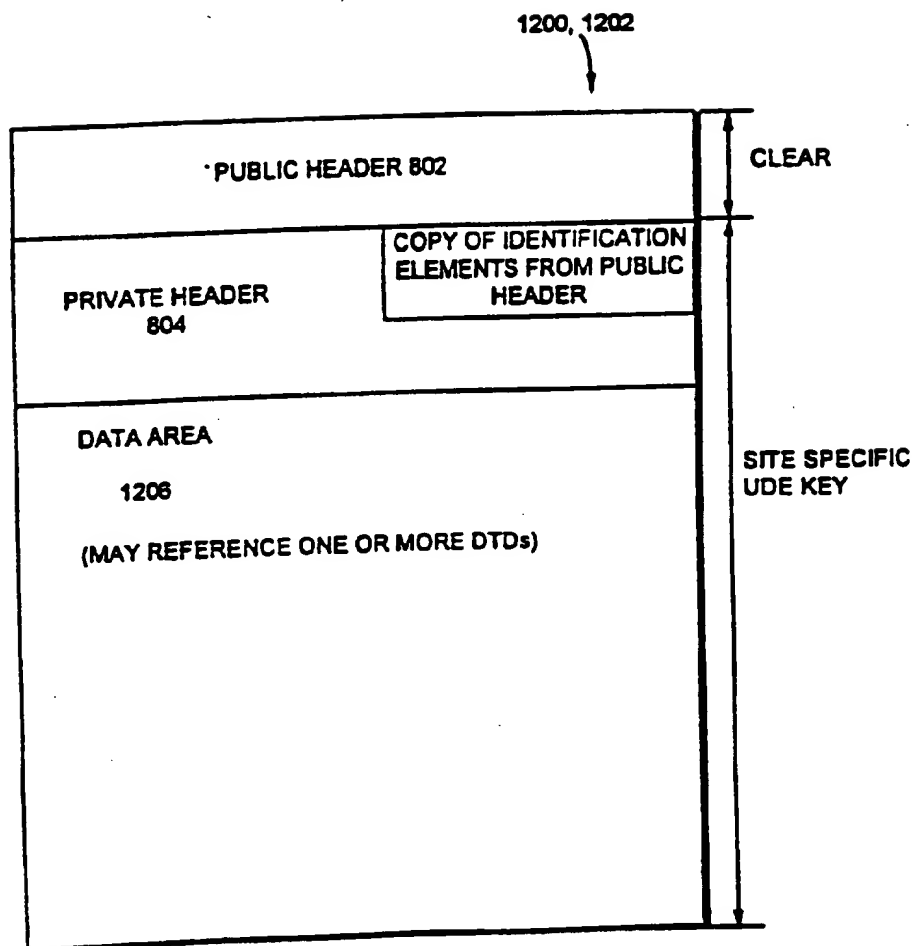


FIG. 23



LOAD MODULE

FIG. 24



UDE (MDE)

FIG. 25A

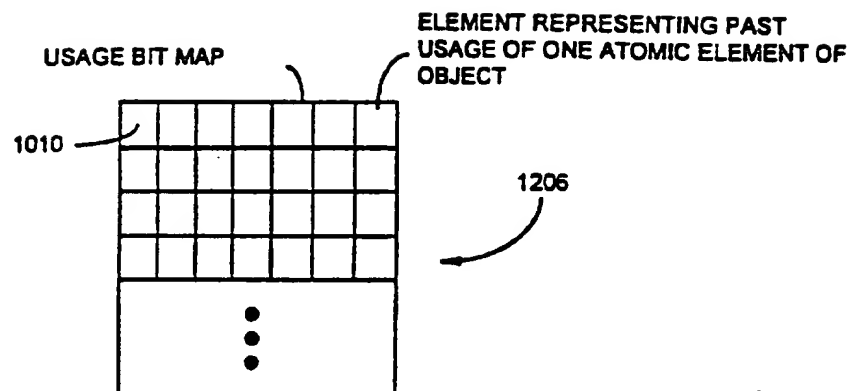


FIG. 25B

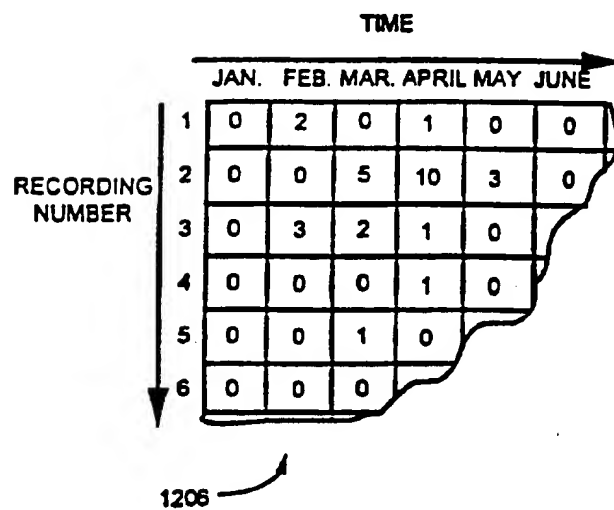


FIG. 25C

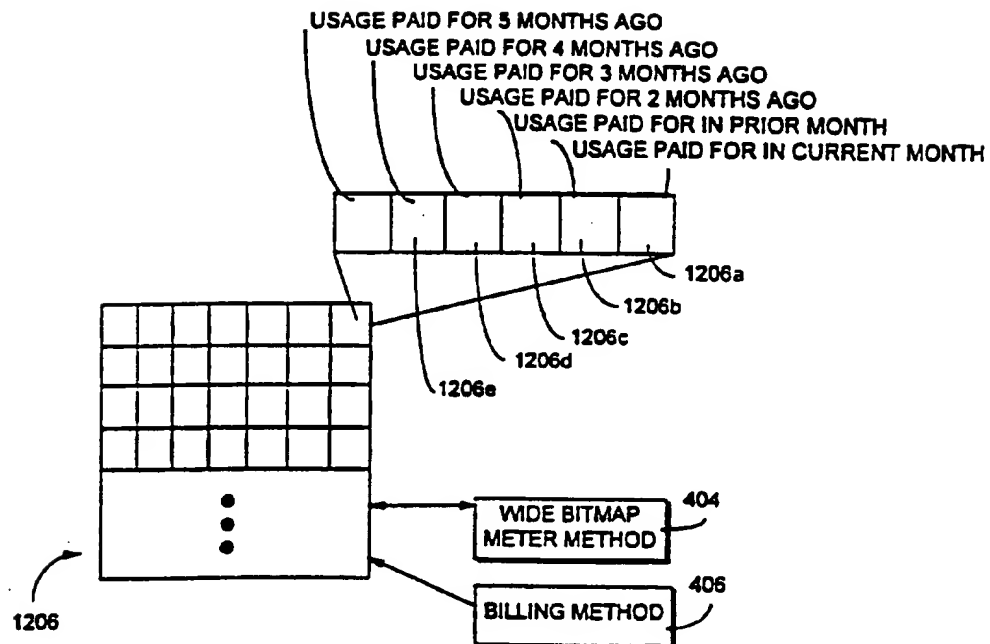


FIG. 26

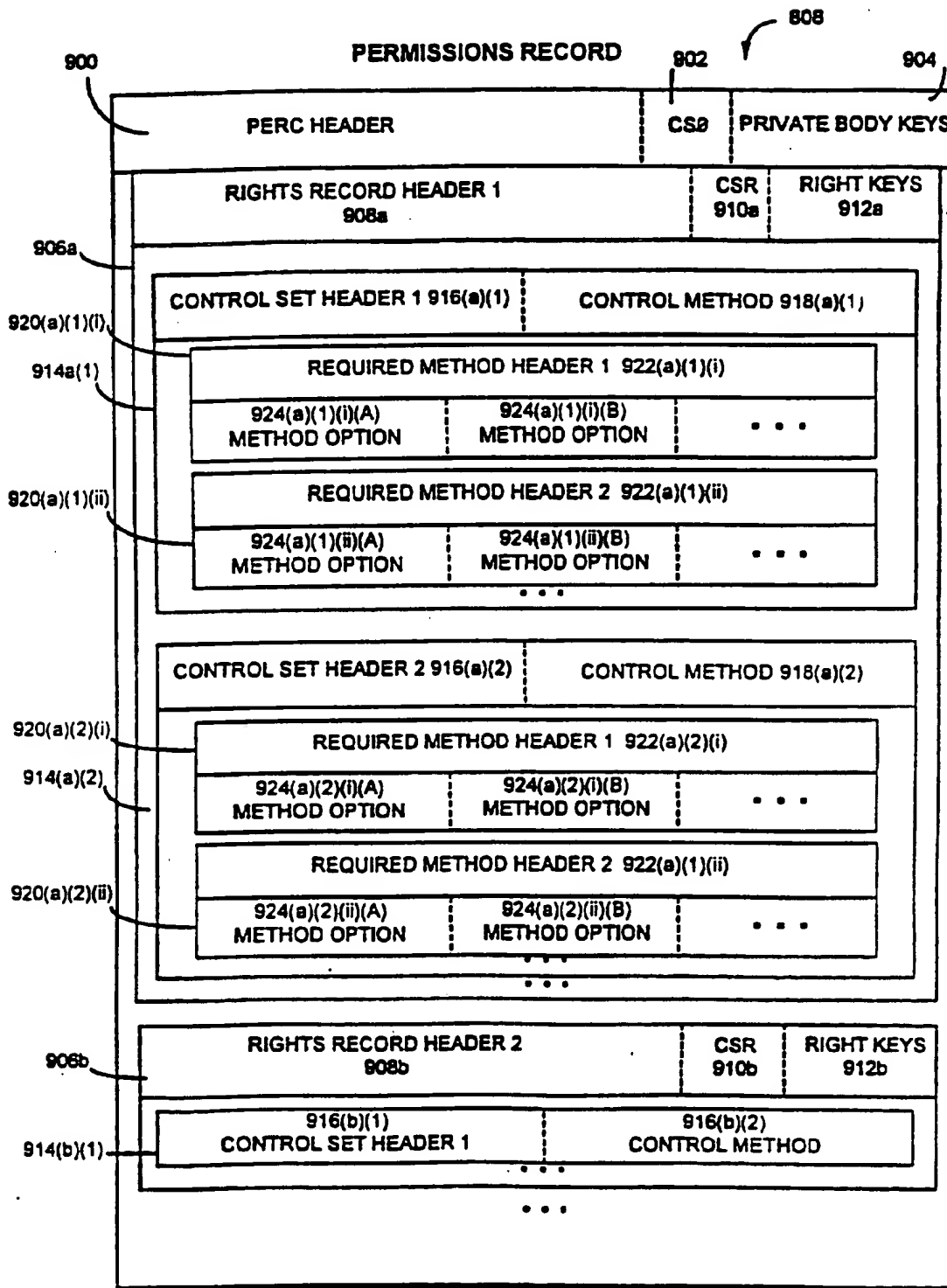


FIG. 26A

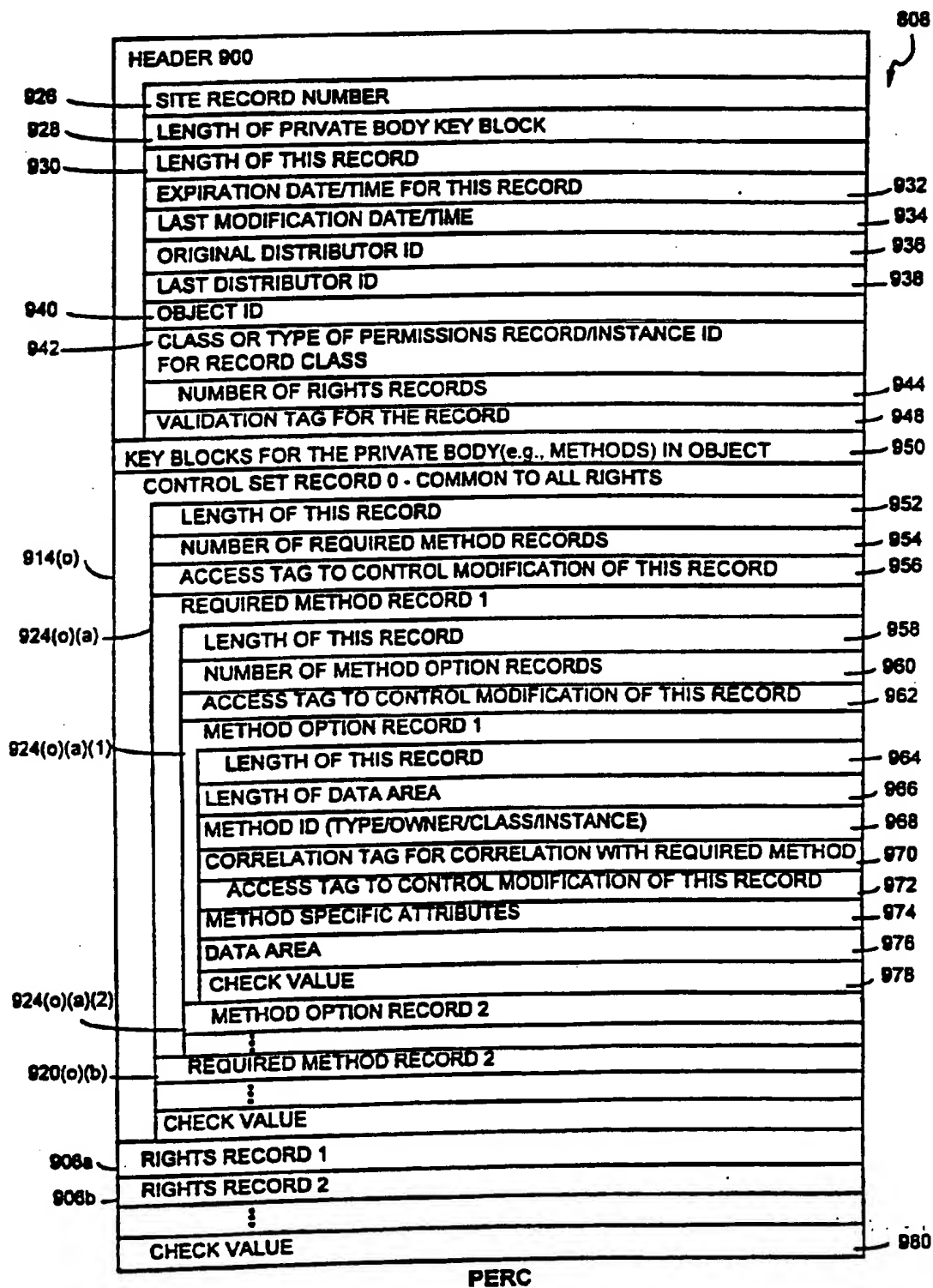
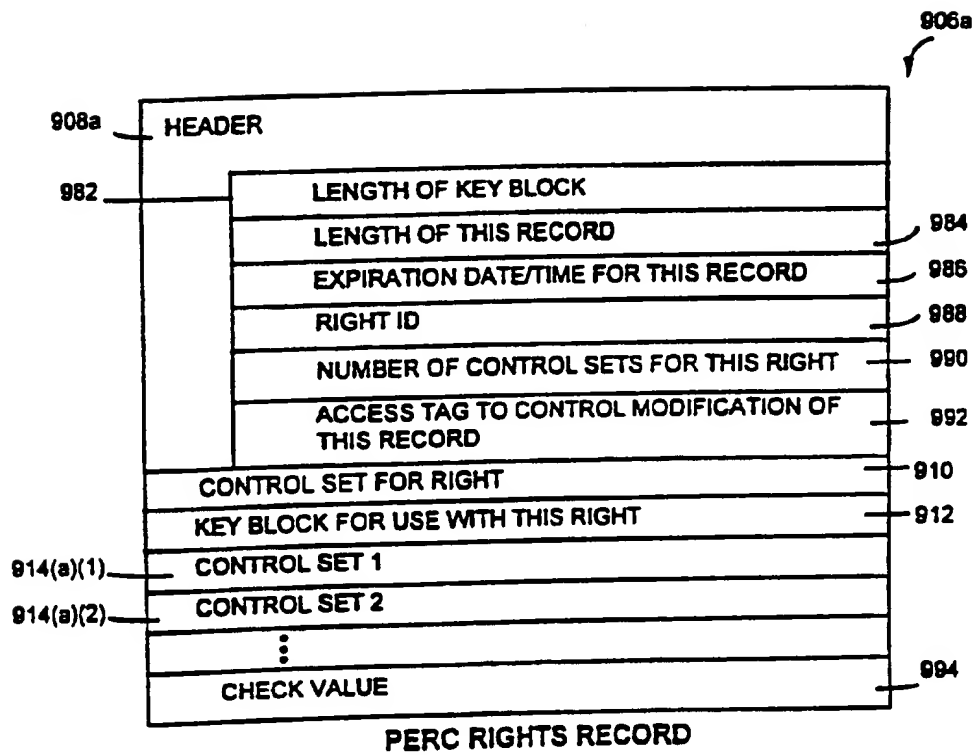


FIG. 26B



**FIG. 27**  
SHIPPING TABLE

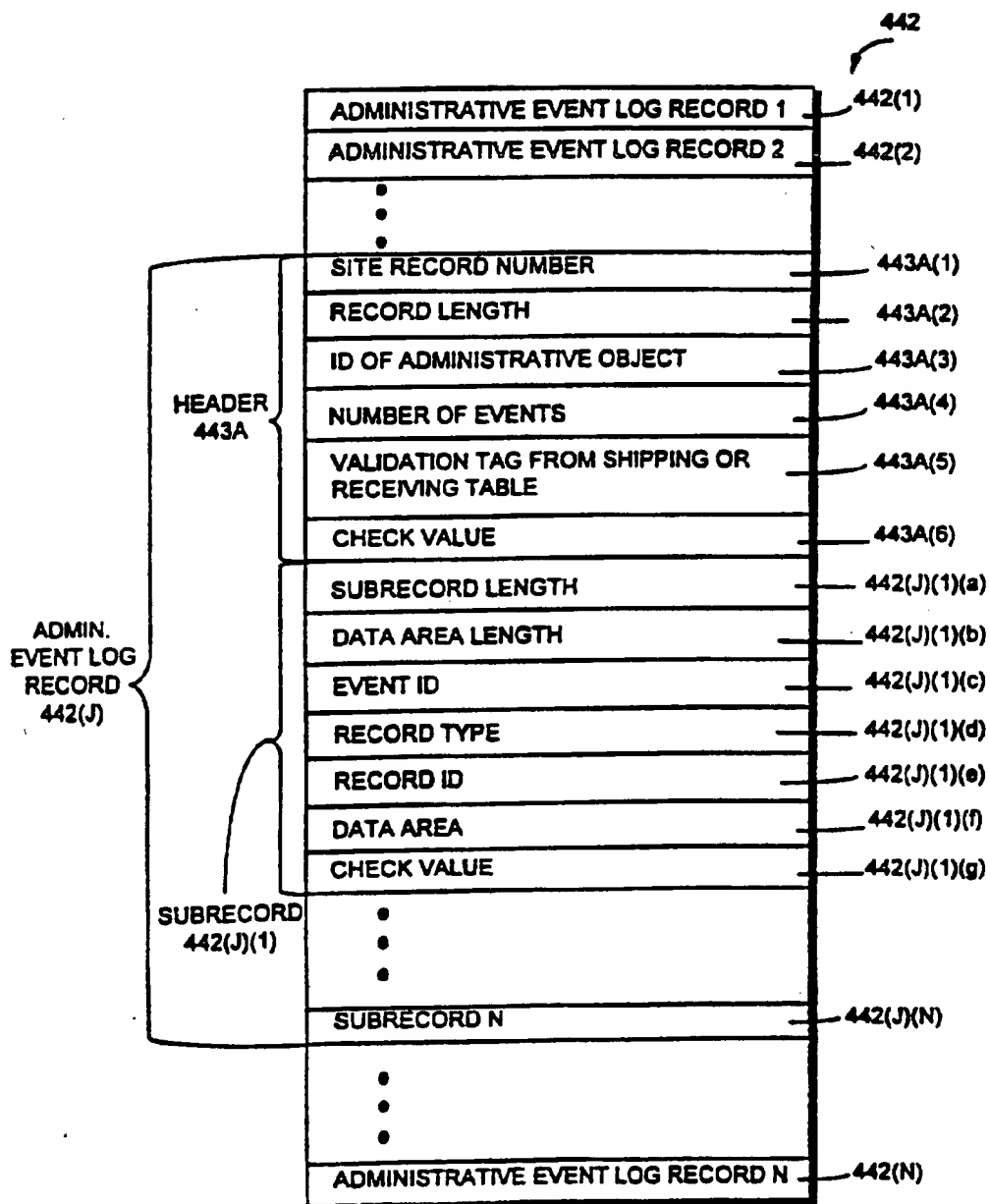
HEADER 444A	444A(1)		SITE RECORD NUMBER	444
			USER (GROUP) ID	444A(2)
			REF. TO "FIRST" COMPLETED OUTGOING SHIPPING RECORD	444A(3)
			REF. TO "LAST" COMPLETED OUTGOING SHIPPING RECORD	444A(4)
			REF. TO "FIRST" SCHEDULED OUTGOING SHIPPING RECORD	444A(5)
			REF. TO "LAST" SCHEDULED OUTGOING SHIPPING RECORD	444A(6)
			VALIDATION TAG FROM NAME SERVICES RECORD	444A(7)
			VALIDATION TAG FOR "FIRST" OUTGOING SHIPPING RECORD(S)	444A(8)
			CHECK VALUE	444A(9)
SHIPPING RECORD 445(1)			SITE RECORD NUMBER	445(1)(A)
			FIRST DATE/TIME FOR SCHEDULED SHIPMENT	445(1)(B)
			LAST DATE/TIME FOR SCHEDULED SHIPMENT	445(1)(C)
			ACTUAL DATE/TIME OF COMPLETED SHIPMENT	445(1)(D)
			OBJECT ID OF ADMINISTRATIVE OBJECT (TO BE) SHIPPED	445(1)(E)
			REF. TO ENTRY IN ADMINISTRATIVE EVENT LOG	445(1)(F)
			REF. TO NAME SERVICES RECORD NAMING RECIPIENT	445(1)(G)
			PURPOSE OF SHIPMENT	445(1)(H)
			STATUS OF SHIPMENT	445(1)(I)
			REF. TO "PREVIOUS" OUTGOING SHIPPING RECORD	445(1)(J)
			REF. TO "NEXT" OUTGOING SHIPPING RECORD	445(1)(K)
			VALIDATION TAG FROM HEADER	445(1)(L)
			VALIDATION TAG TO ADMINISTRATIVE EVENT LOG	445(1)(M)
			VALIDATION TAG TO NAME SERVICES RECORD	445(1)(N)
			VALIDATION TAG FROM PREVIOUS RECORD	445(1)(O)
			VALIDATION TAG TO NEXT RECORD	445(1)(P)
			CHECK VALUE	445(1)(Q)
			⋮	
			SHIPPING RECORD N	445(1)(R)

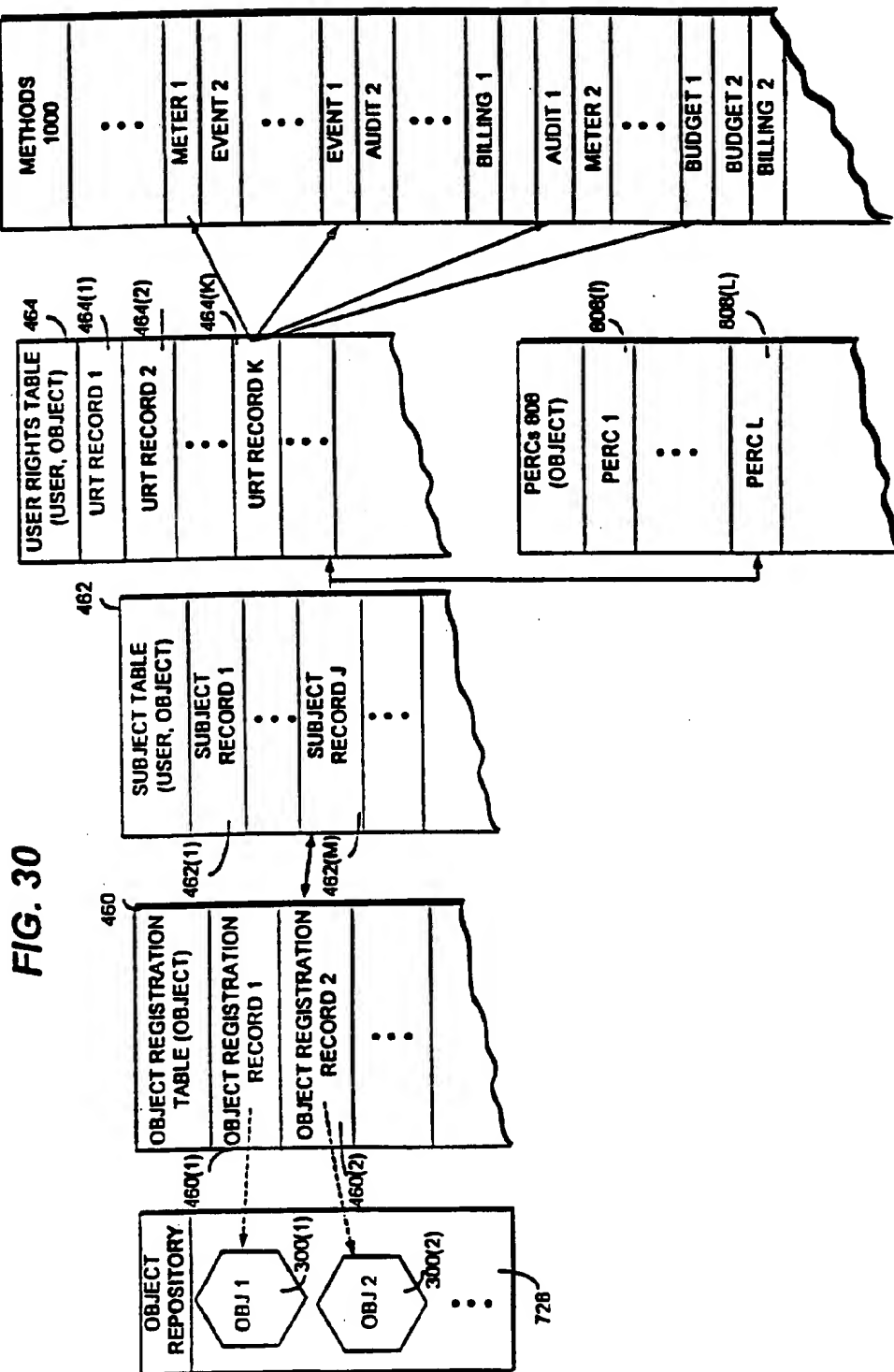


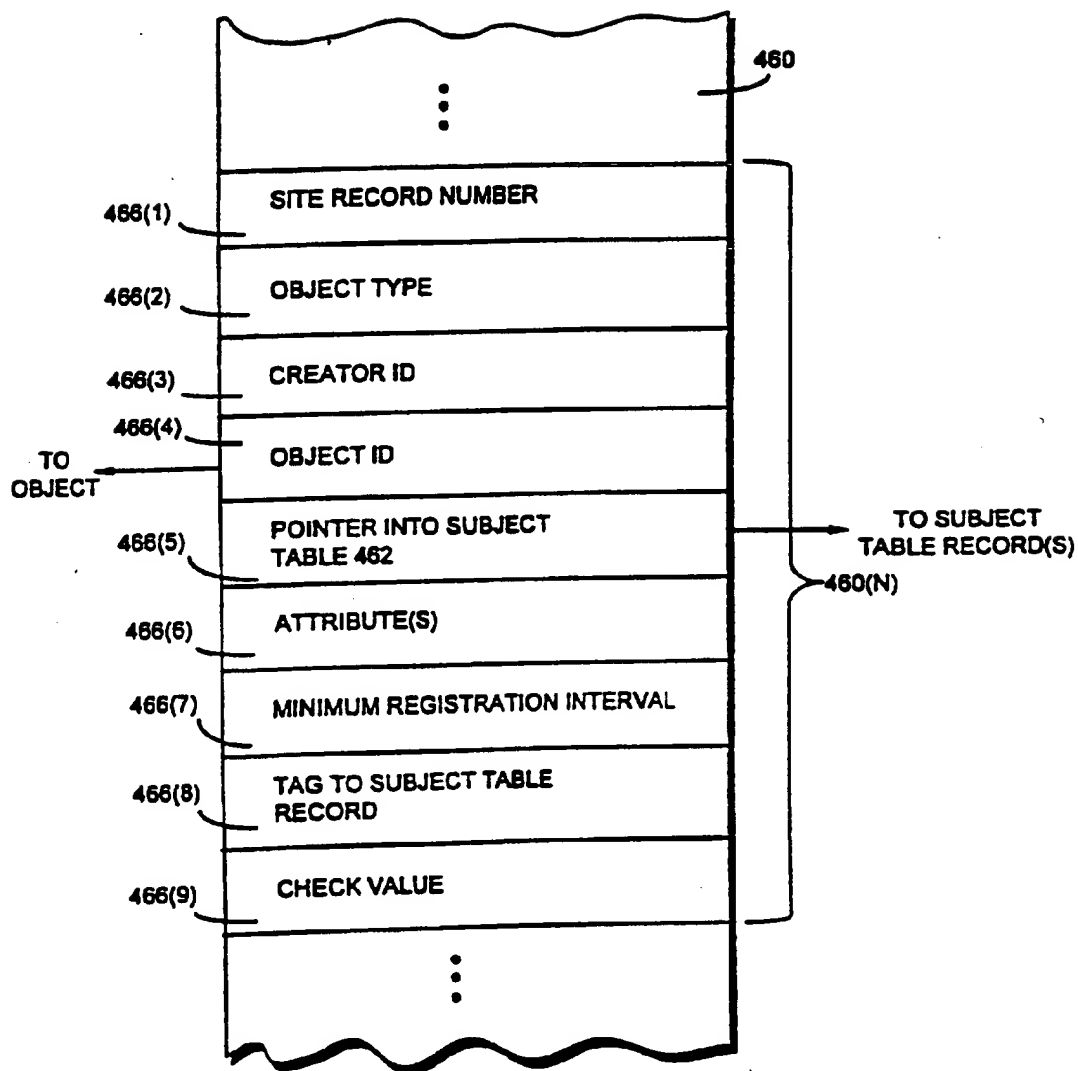
**FIG. 28**  
RECEIVING TABLE

		446A(1)	
HEADER 446A	SITE RECORD NUMBER		446
	USER (GROUP) ID		446A(2)
	REF. TO "FIRST" COMPLETED INCOMING RECEIVING RECORD		446A(3)
	REF. TO "LAST" COMPLETED INCOMING RECEIVING RECORD		446A(4)
	REF. TO "FIRST" SCHEDULED INCOMING RECEIVING RECORD		446A(5)
	REF. TO "LAST" SCHEDULED INCOMING RECEIVING RECORD		446A(6)
	VALIDATION TAG FROM NAME SERVICES RECORD		446A(7)
	VALIDATION TAG FOR "FIRST" INCOMING RECEIVING RECORD(S)		446A(8)
	CHECK VALUE		446A(9)
RECEIVING RECORD 447(1)	SITE RECORD NUMBER		447(1)(A)
	FIRST DATE/TIME FOR SCHEDULED RECEPTION		447(1)(B)
	LAST DATE/TIME FOR SCHEDULED RECEPTION		447(1)(C)
	ACTUAL DATE/TIME OF COMPLETED RECEPTION		447(1)(D)
	OBJECT ID OF ADMINISTRATIVE OBJECT (TO BE) RECEIVED		447(1)(E)
	REF. TO ENTRY IN ADMINISTRATIVE EVENT LOG		447(1)(F)
	REF. TO NAME SERVICES RECORD NAMING SENDER		447(1)(G)
	PURPOSE OF RECEPTION		447(1)(H)
	STATUS OF RECEPTION		447(1)(I)
	REF. TO "PREVIOUS" INCOMING RECEIVING RECORD		447(1)(J)
	REF. TO "NEXT" INCOMING RECEIVING RECORD		447(1)(K)
	VALIDATION TAGS		447(1)(L)
	CHECK VALUE		447(1)(M)
	⋮		
	RECEIVING RECORD N		447(2)

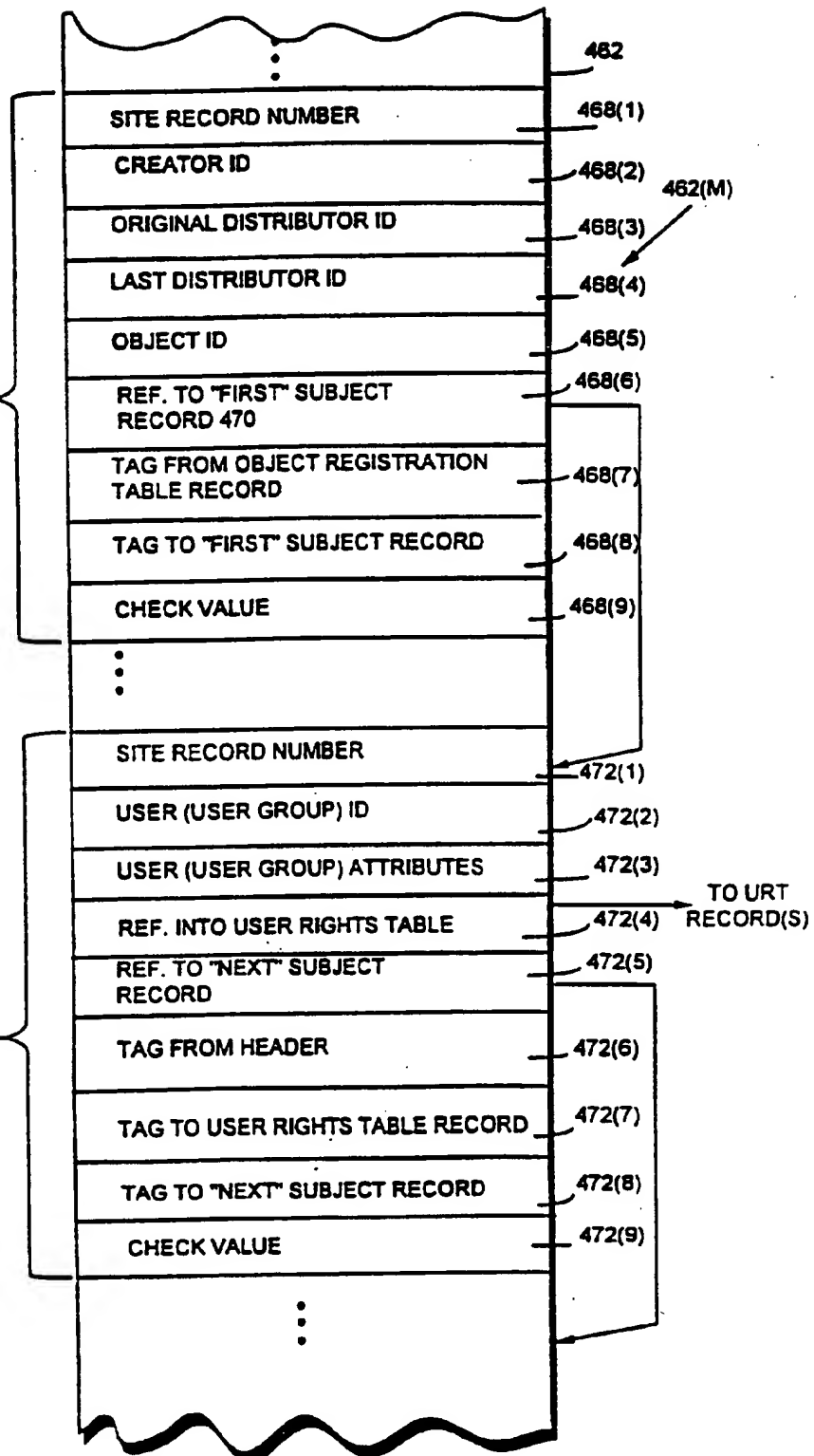
**FIG. 29**  
ADMINISTRATIVE EVENT LOG







**FIG. 31**  
OBJECT REGISTRATION TABLE

**FIG. 32**SUBJECT  
TABLE"HEADER"  
468SUBJECT  
RECORD  
470(1)

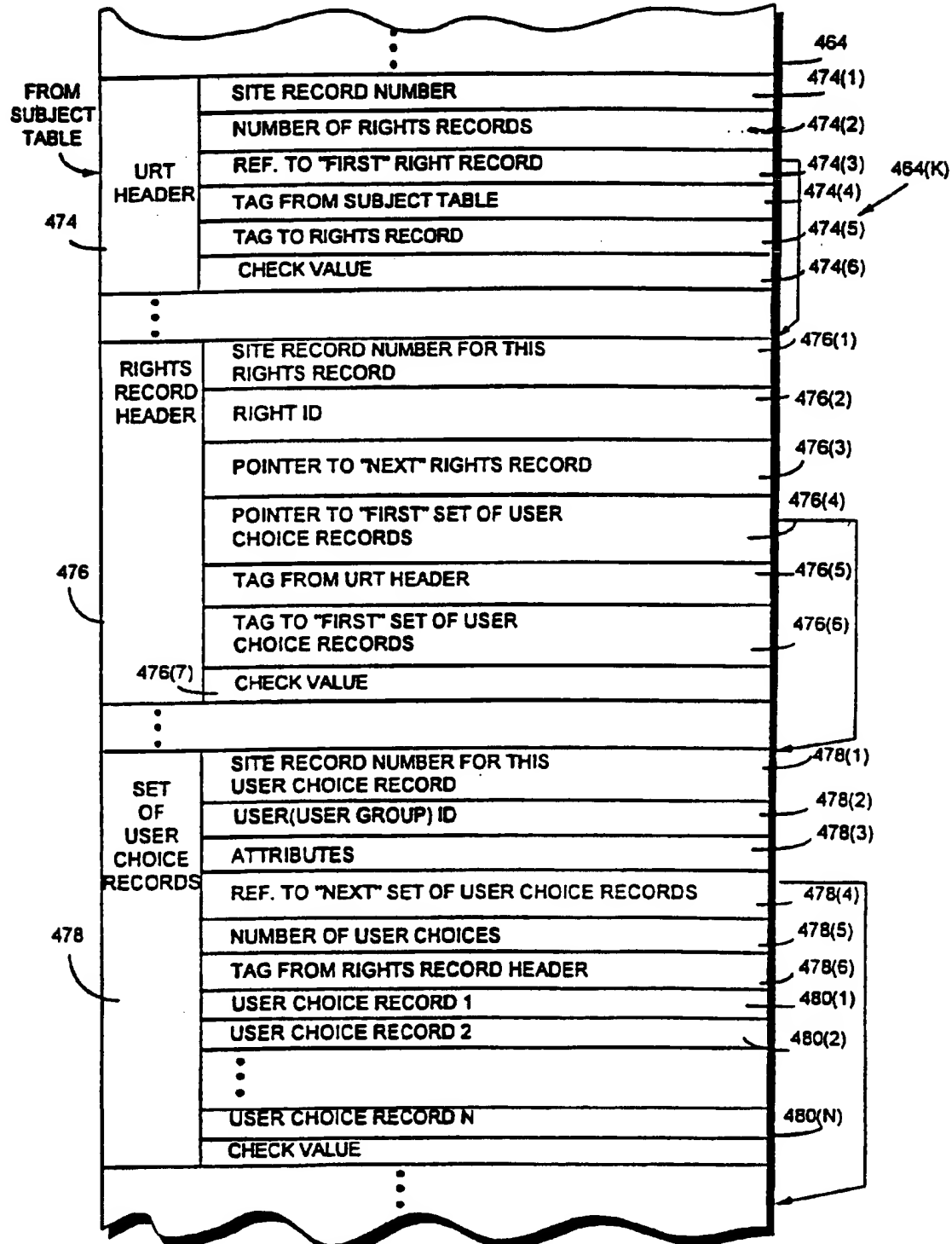
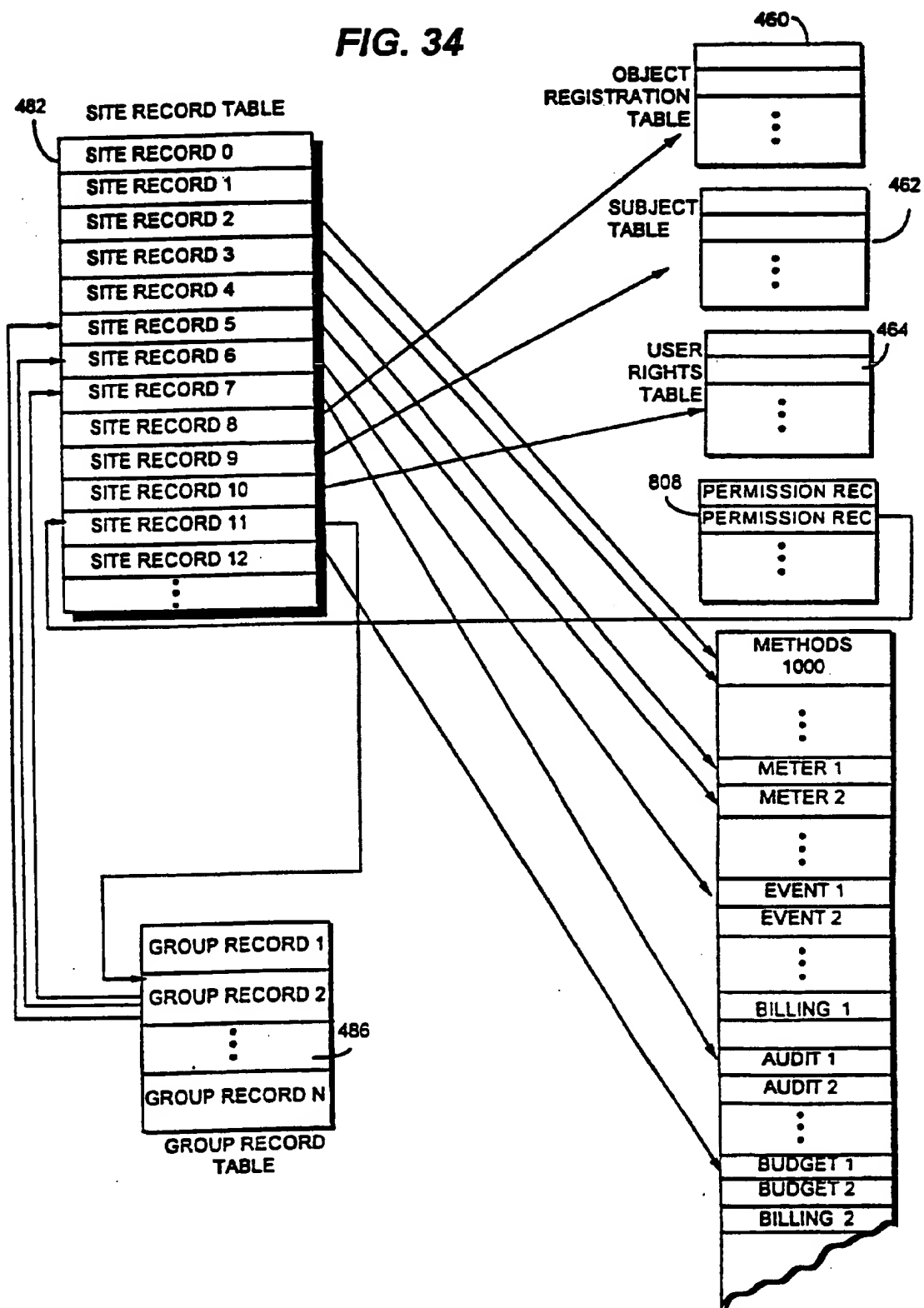
**FIG. 33** USER RIGHTS TABLE

FIG. 34



**FIG. 34A****SITE RECORD**

	482
482(J)	
TYPE OF RECORD	484(1)
OWNER OR CREATOR OF RECORD	484(2)
CLASS	484(3)
INSTANCE	484(4)
TYPE SPECIFIC DESCRIPTOR (e.g., OBJECT ID) ASSOCIATED WITH RECORD	484(5)
TABLE IN WHICH THE RECORD IS LOCATED	484(6)
POINTER - OFFSET, WITHIN THE TABLE, TO WHERE THE RECORD BEGINS	484(7)
RECORD LENGTH	484(8)
VALIDATION TAG FOR RECORD	484(9)
CHECK VALUE	484(10)



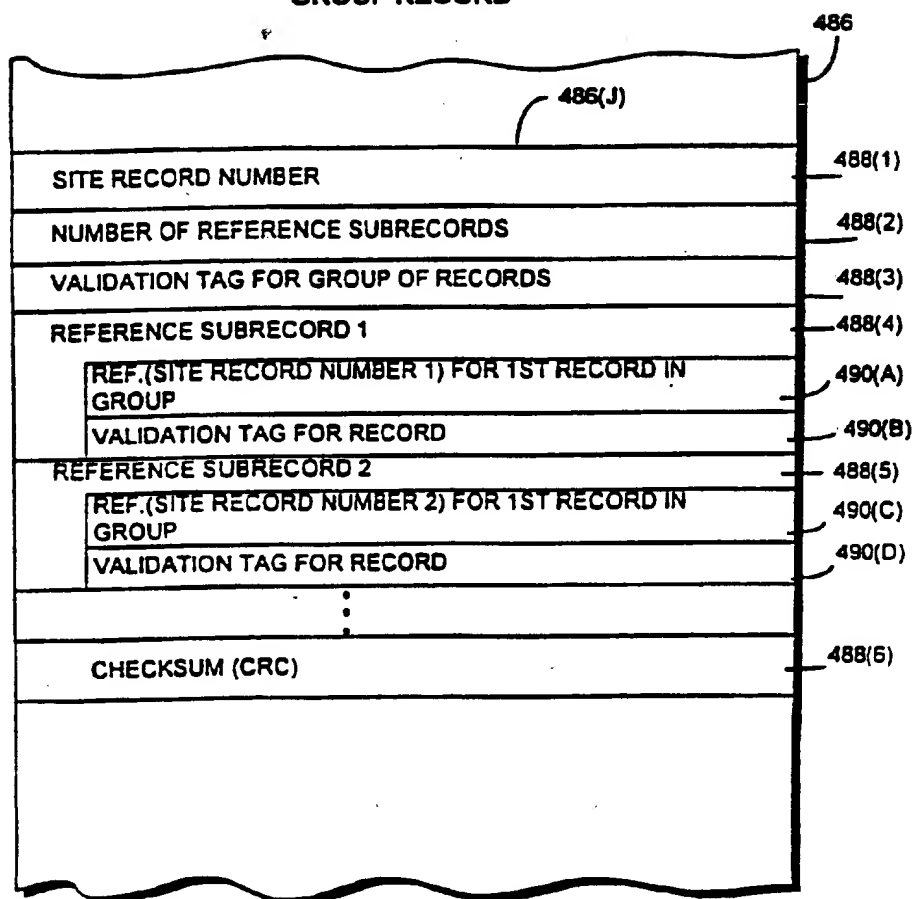
**FIG. 34B****GROUP RECORD**

FIG. 35

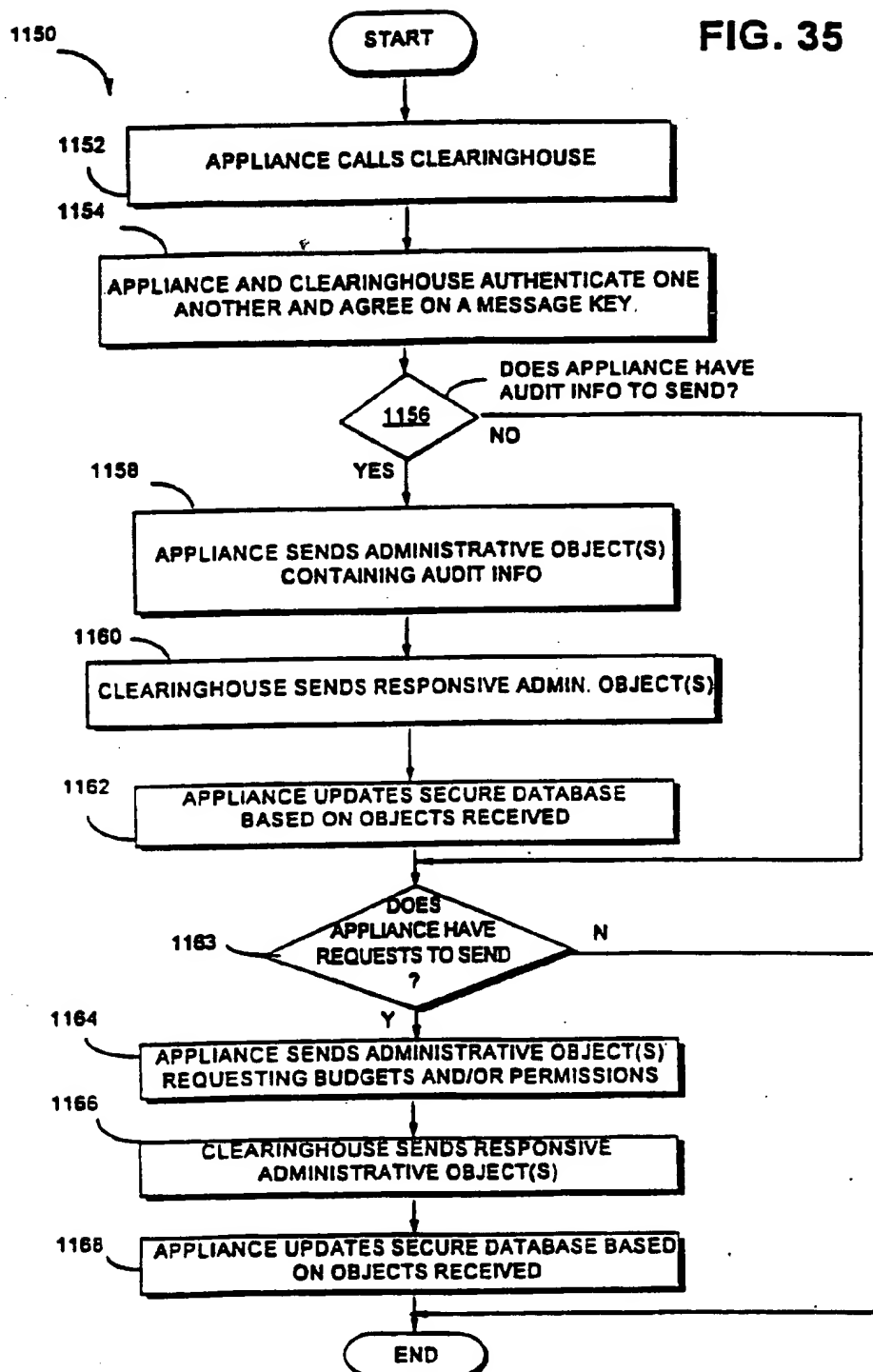


FIG. 36

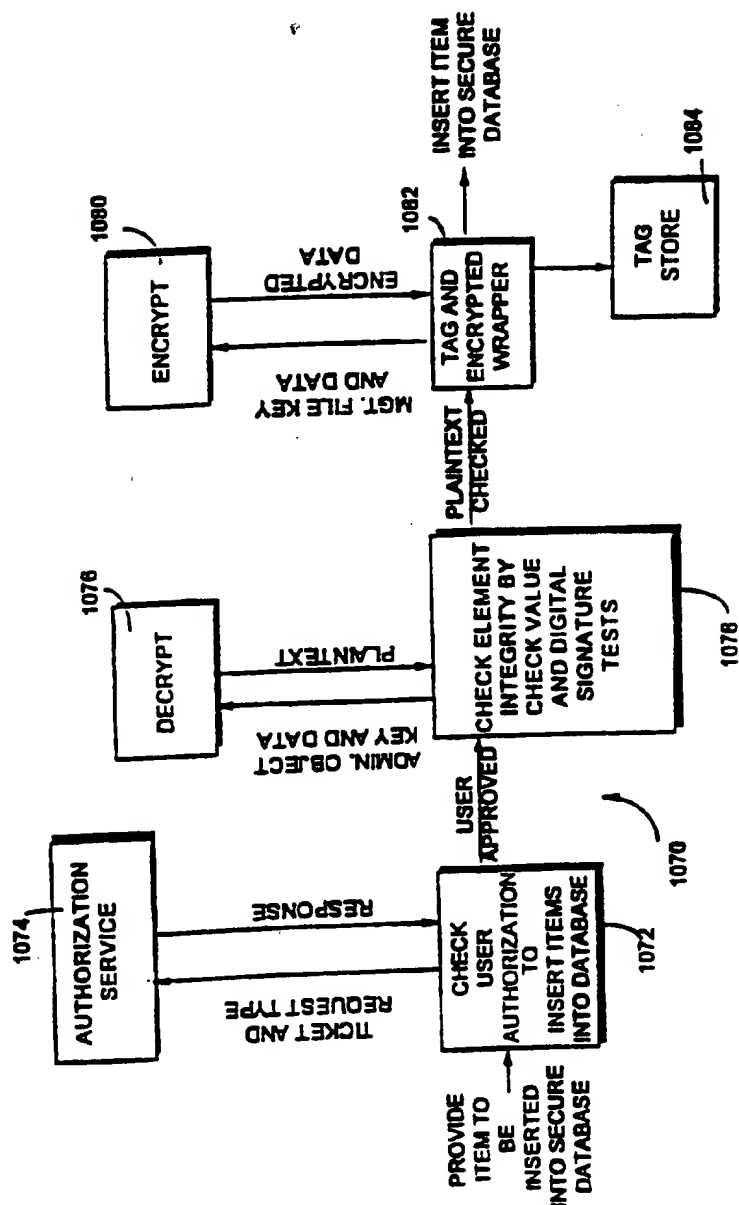


FIG. 37

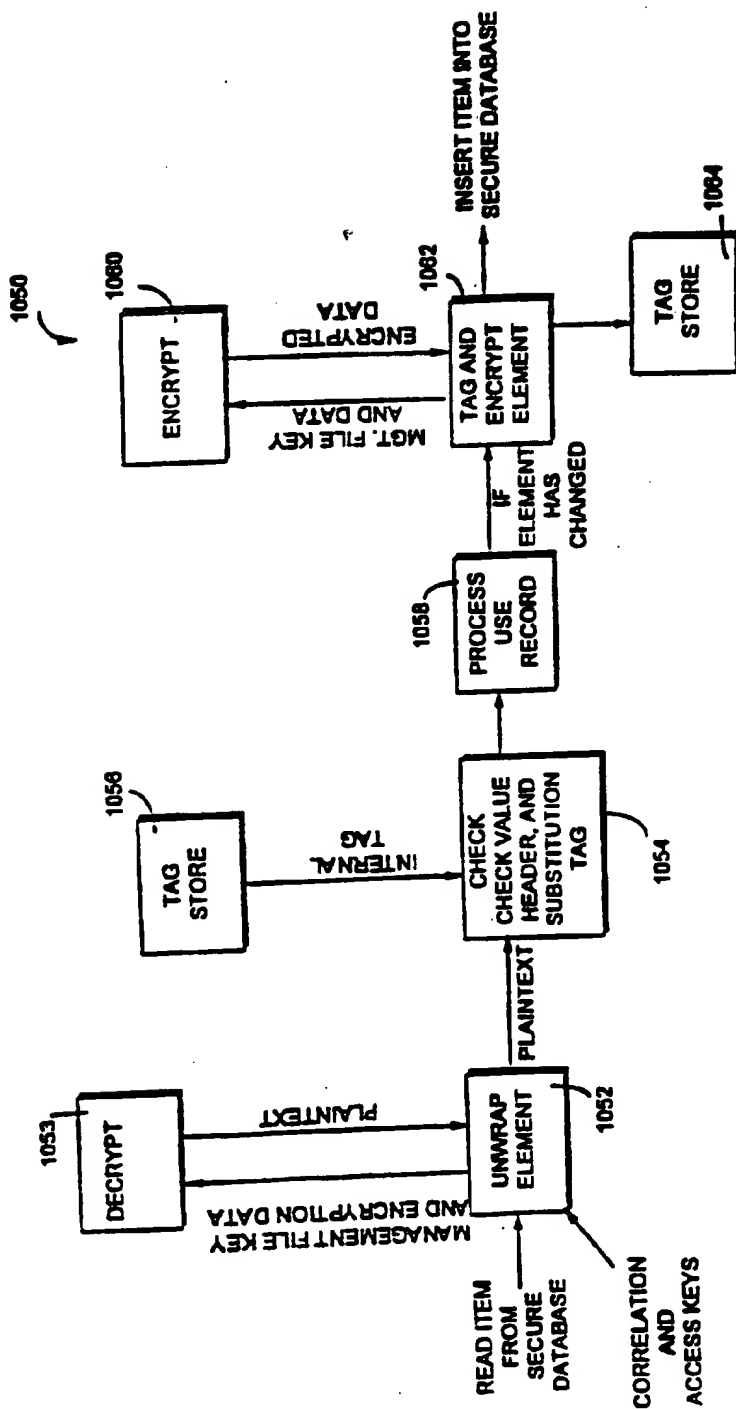
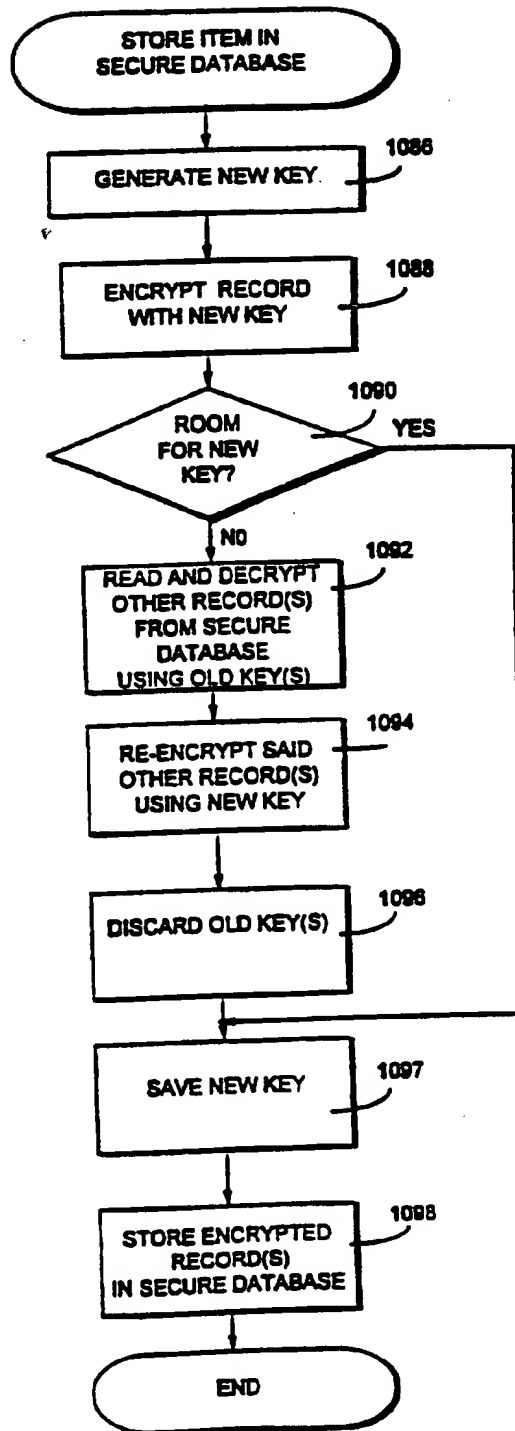
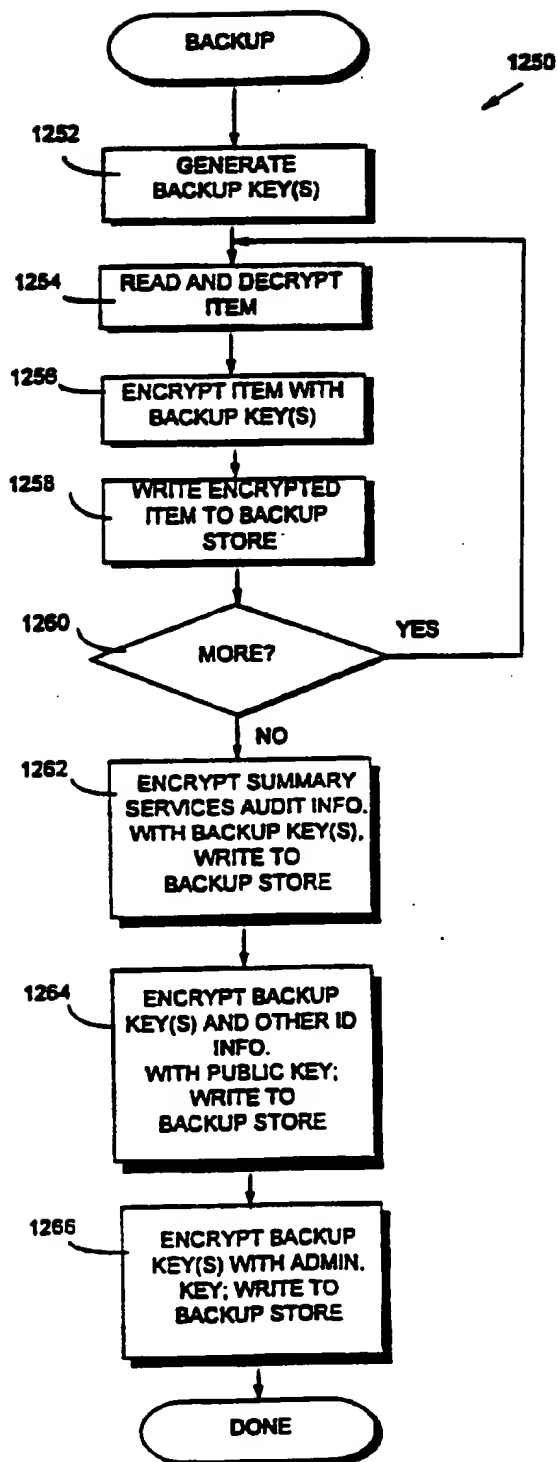
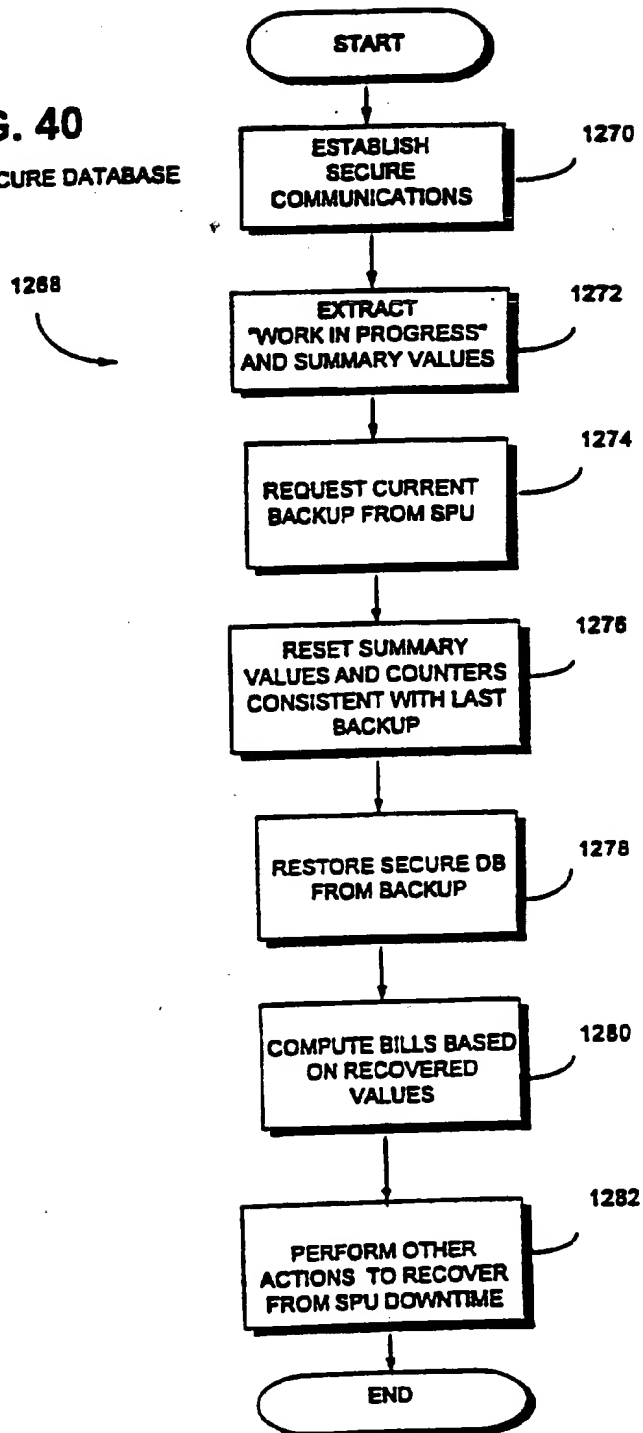


FIG. 38



**FIG. 39**  
BACKUP

**FIG. 40**  
RECOVER SECURE DATABASE



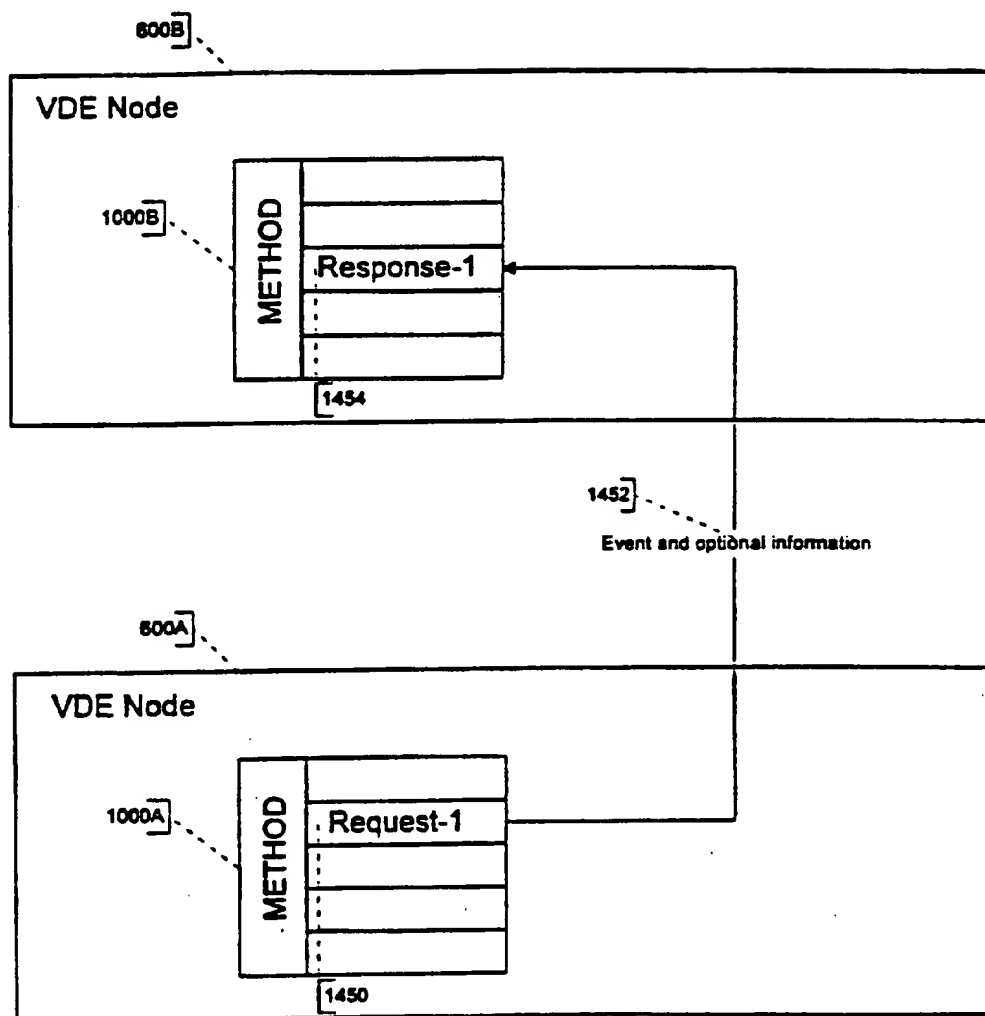


Figure 41a



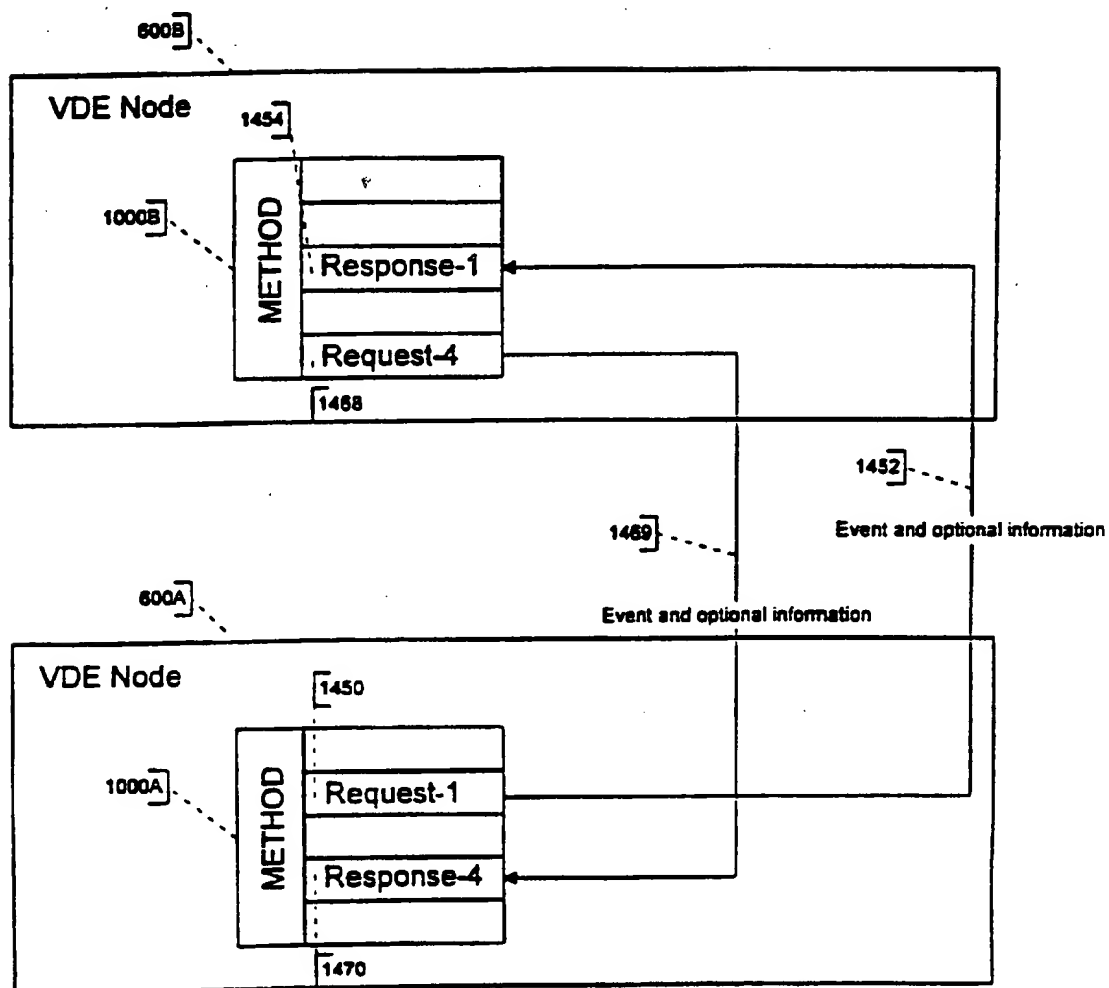


Figure 41b

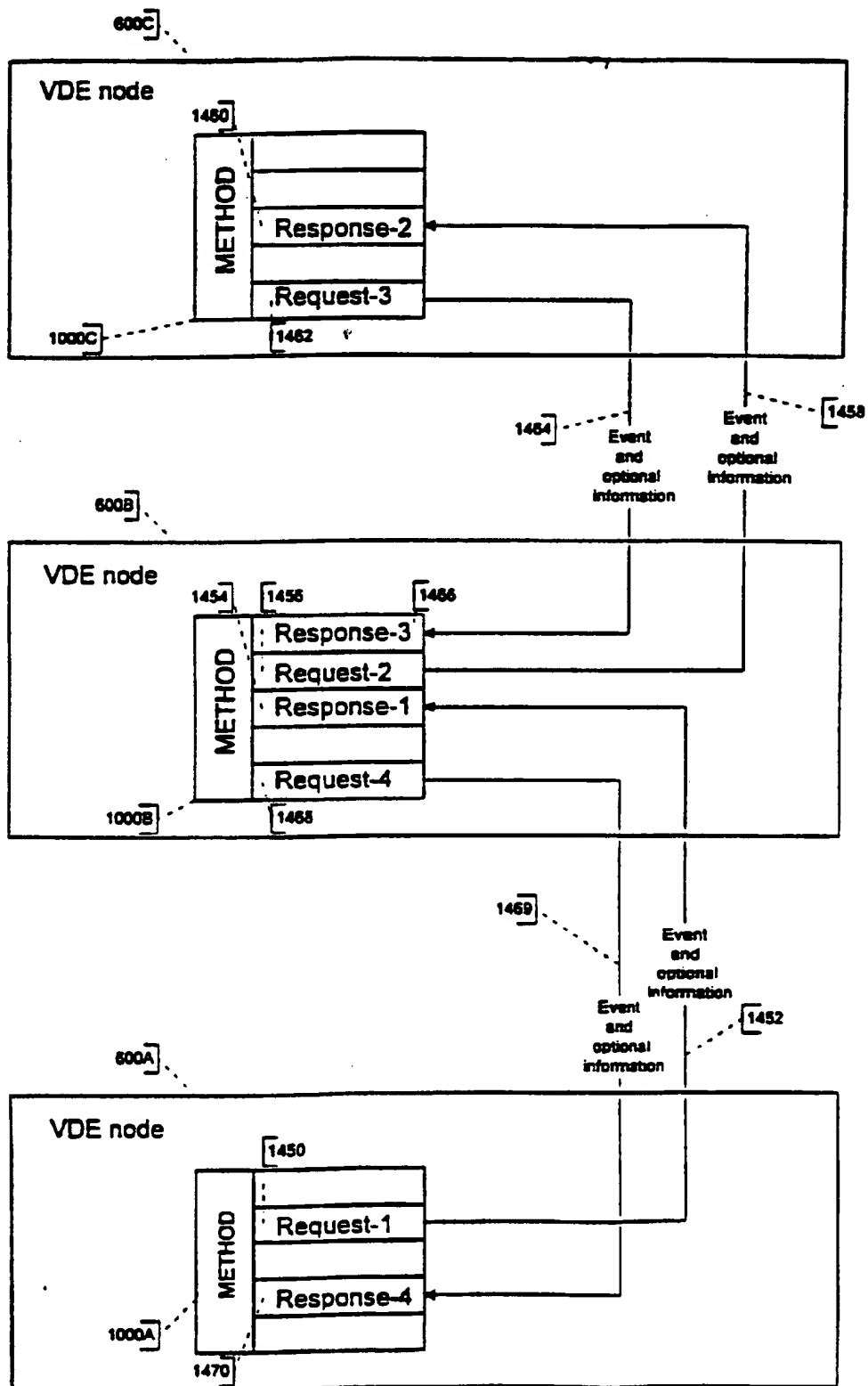


Figure 41c

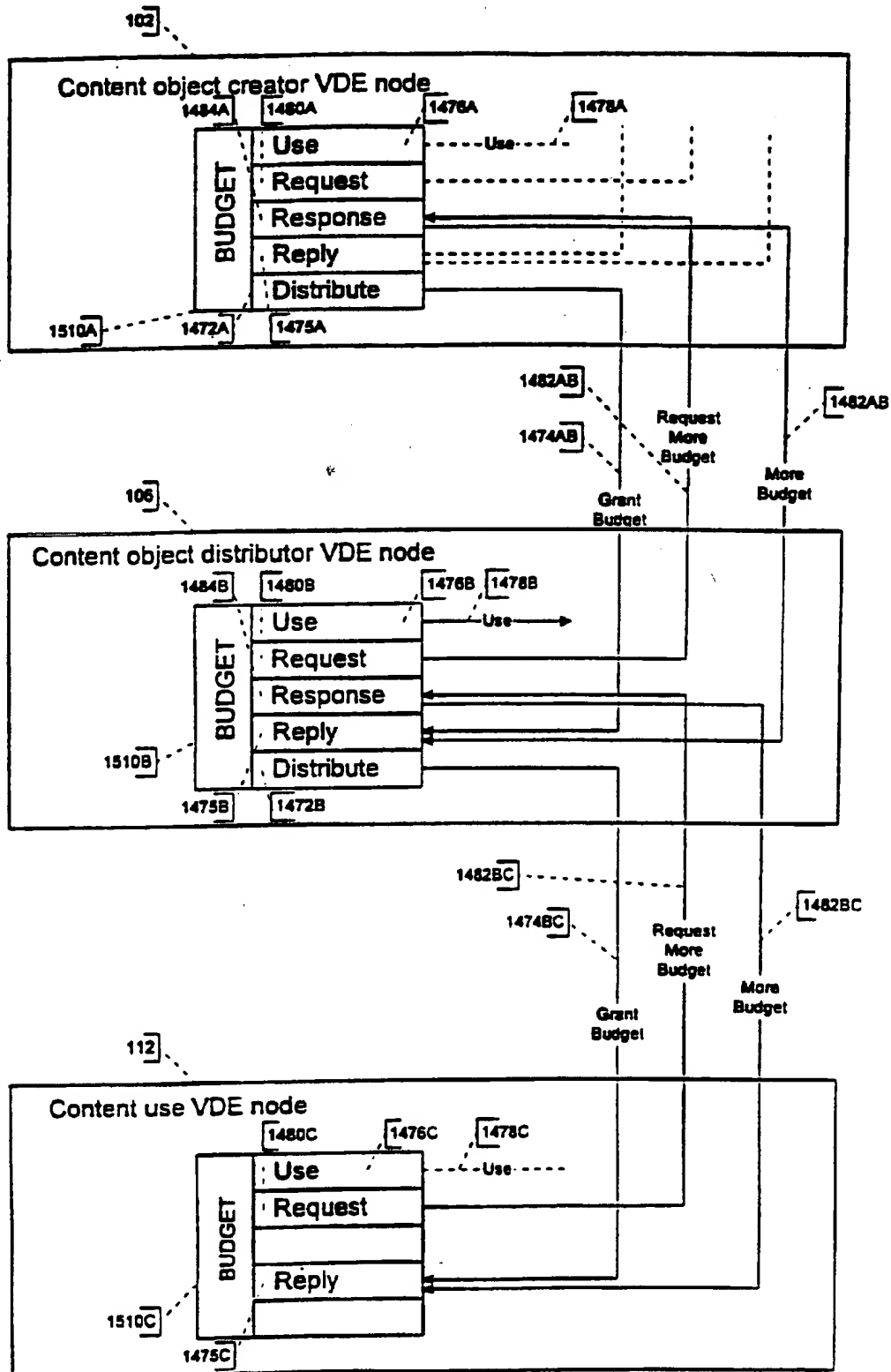


Figure 41d

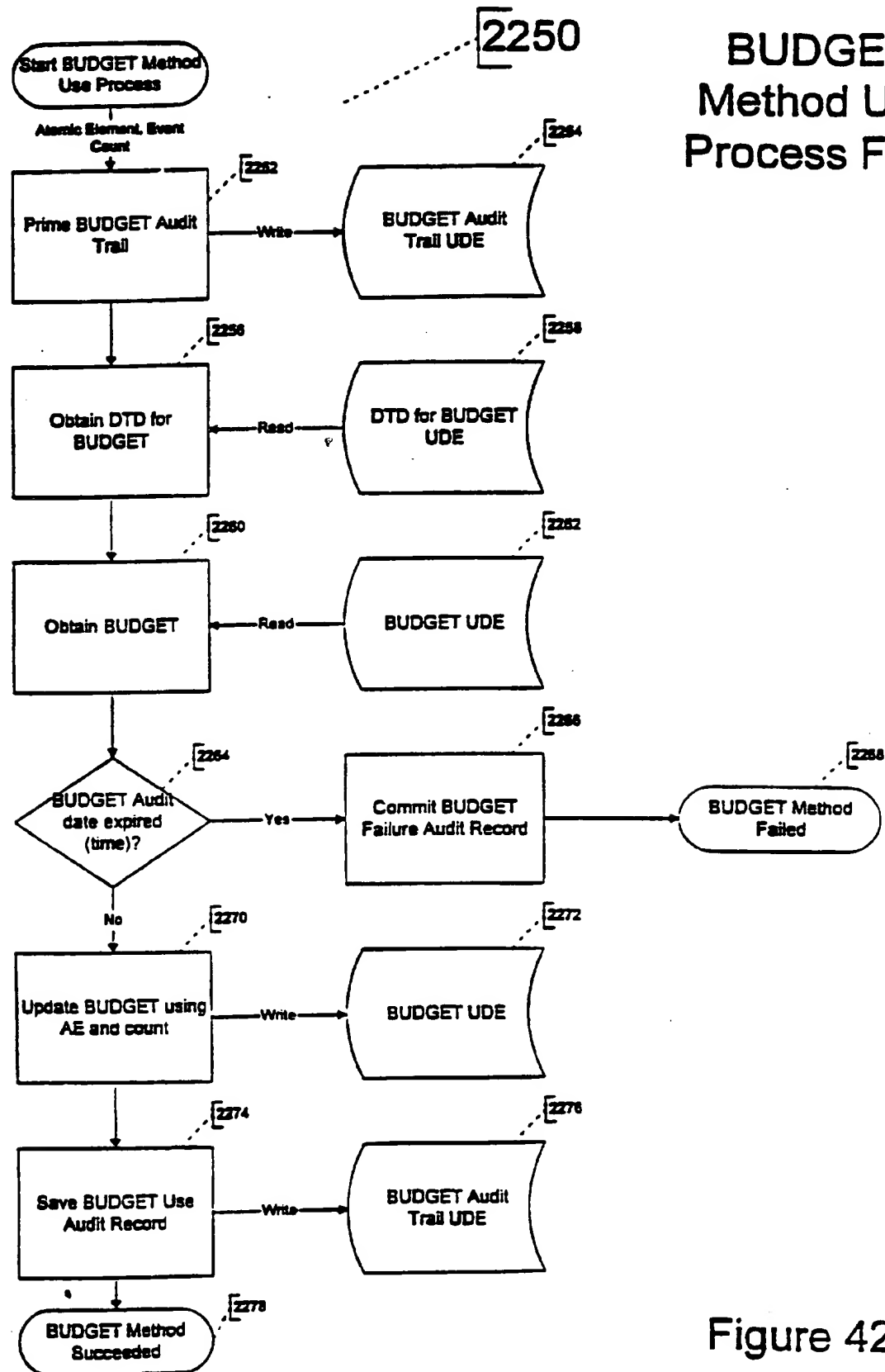


Figure 42a

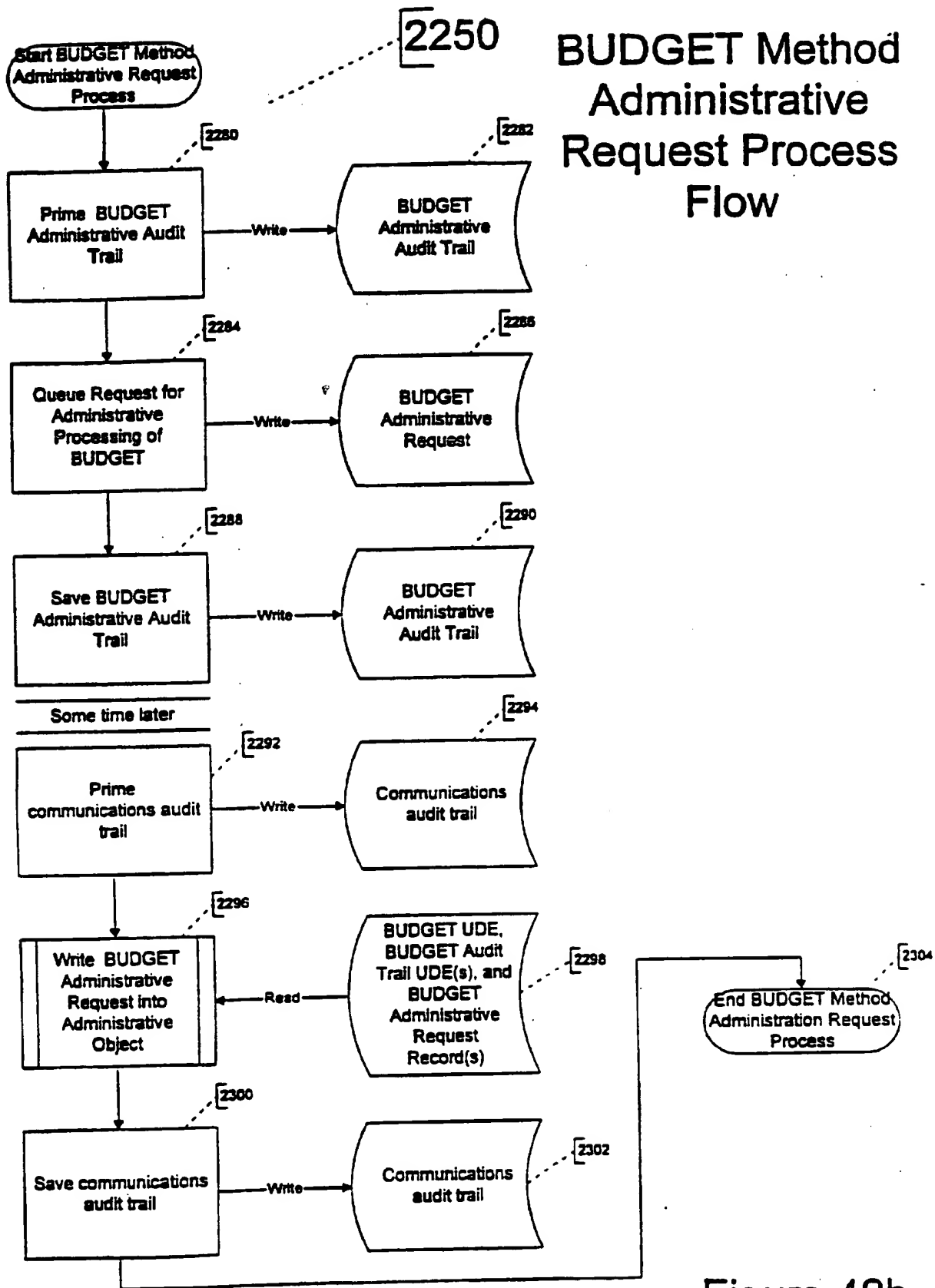


Figure 42b

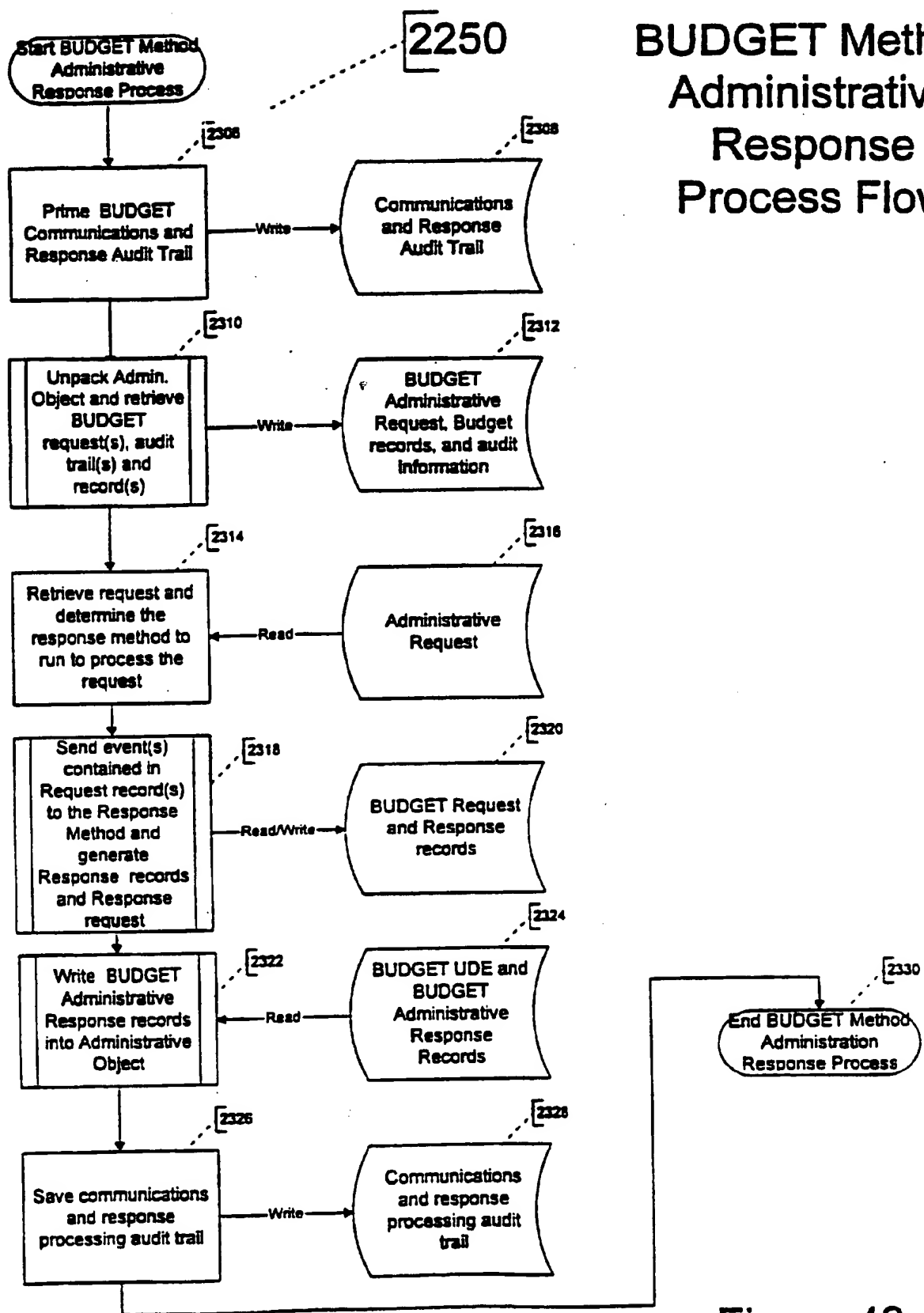


Figure 42c

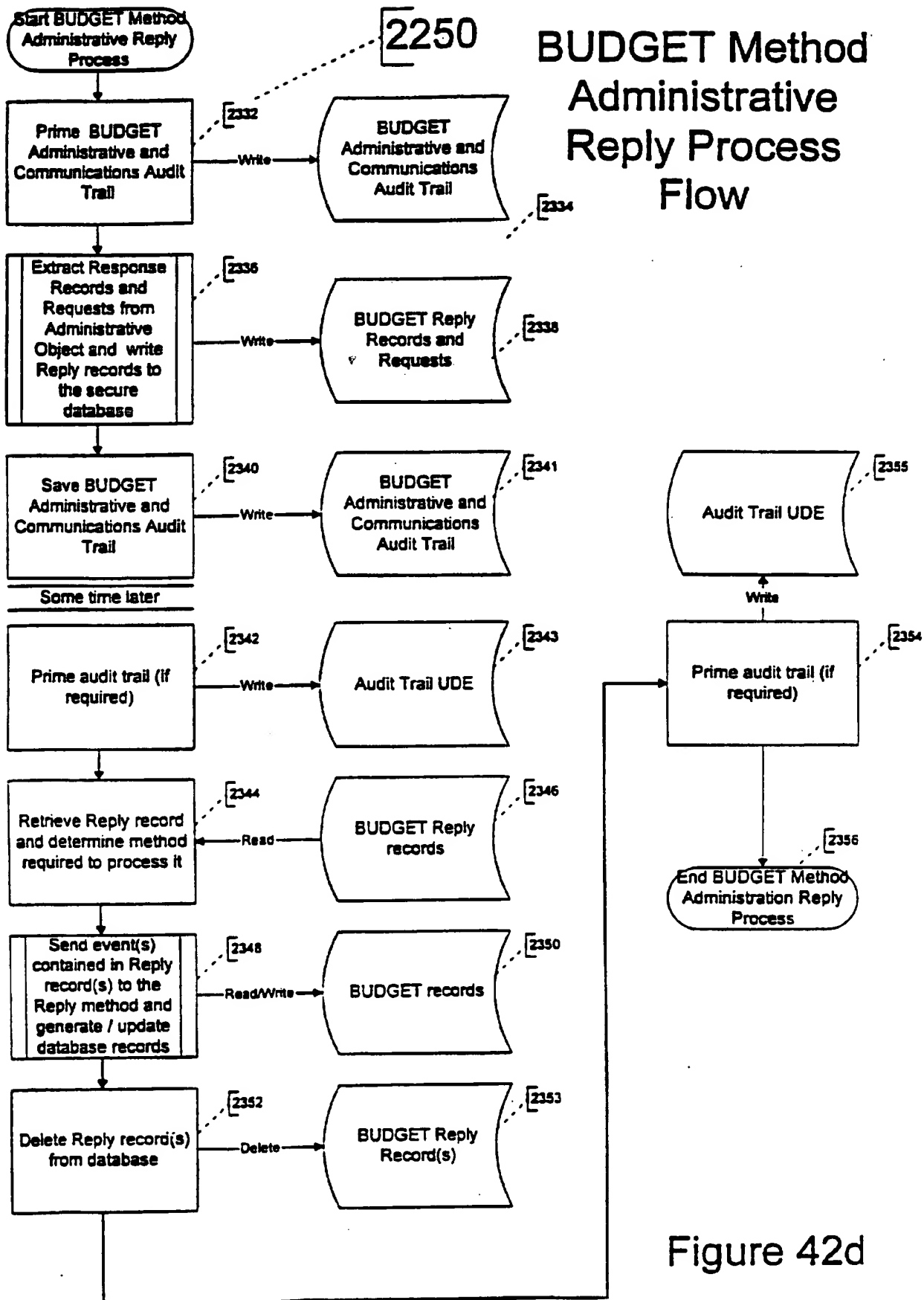


Figure 42d

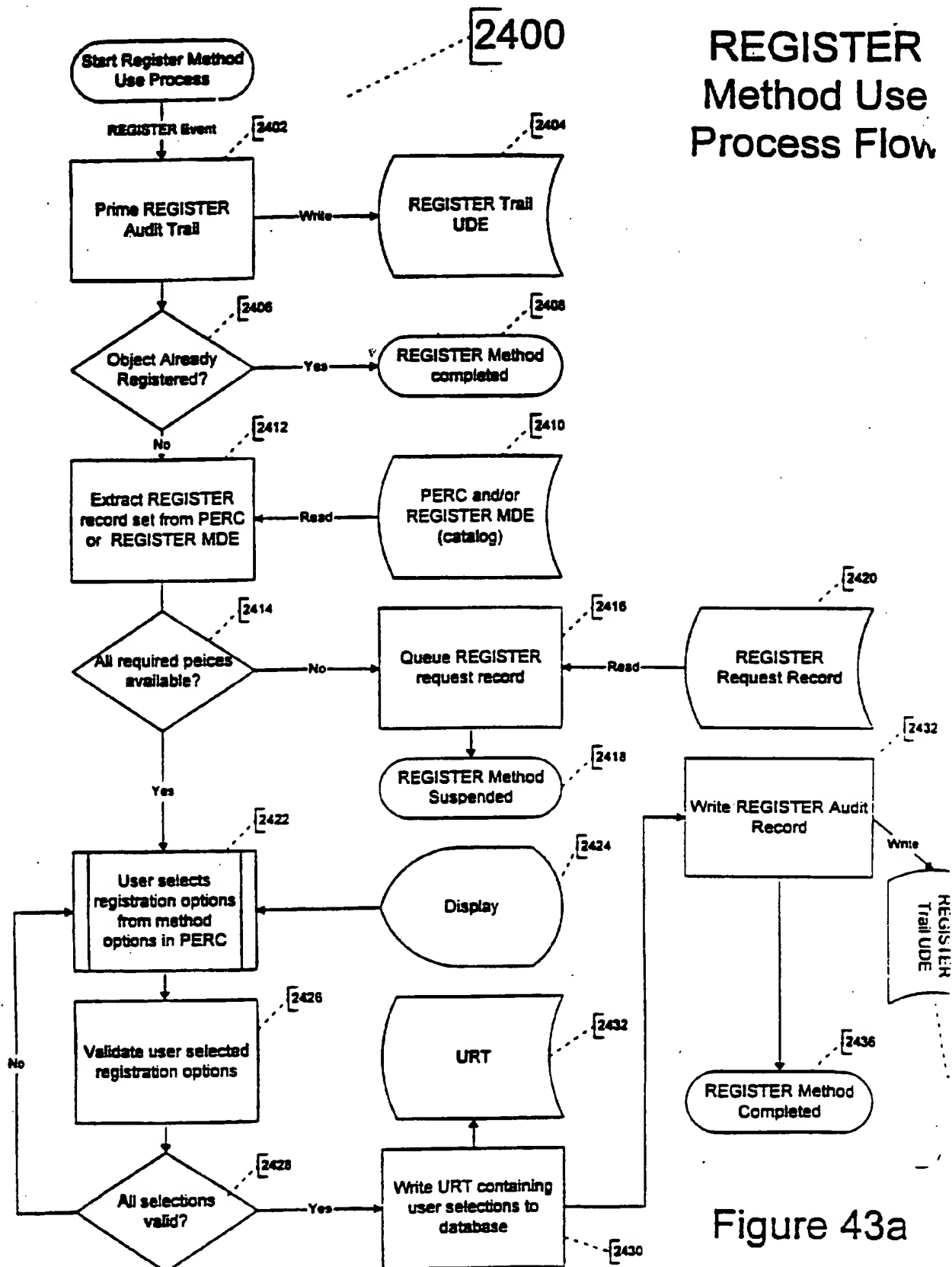


Figure 43a



# REGISTER Method Administrative Request Process Flow

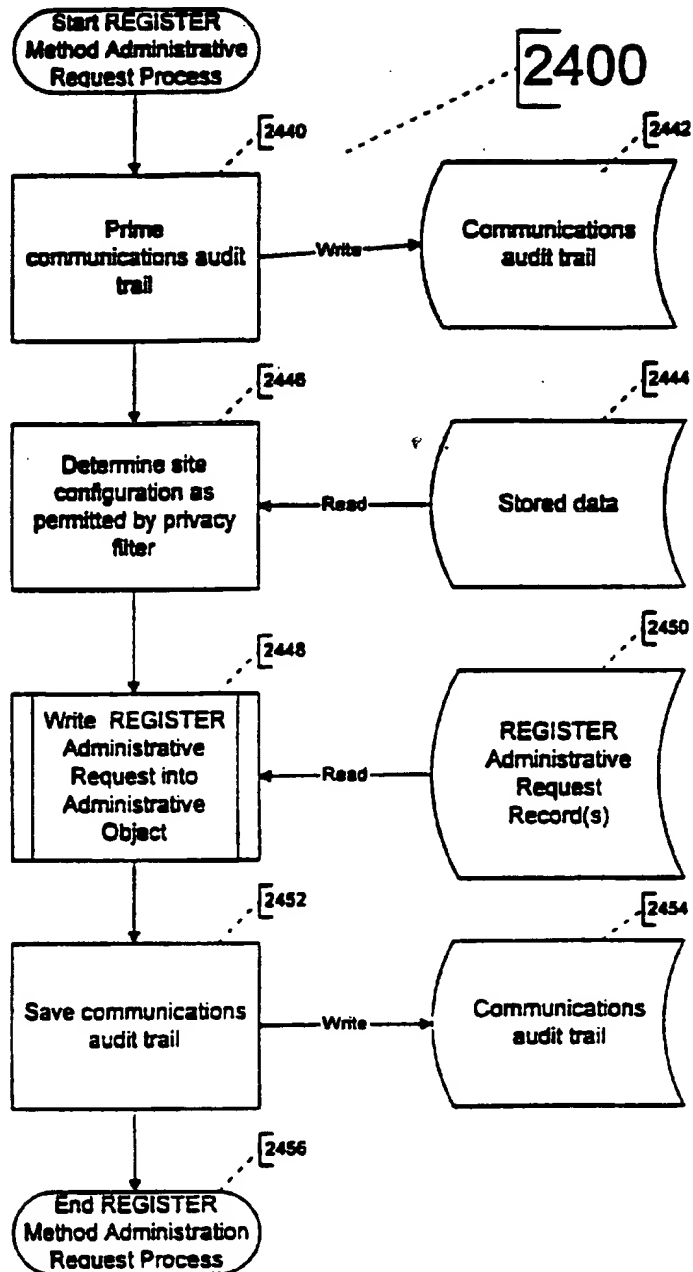


Figure 43b

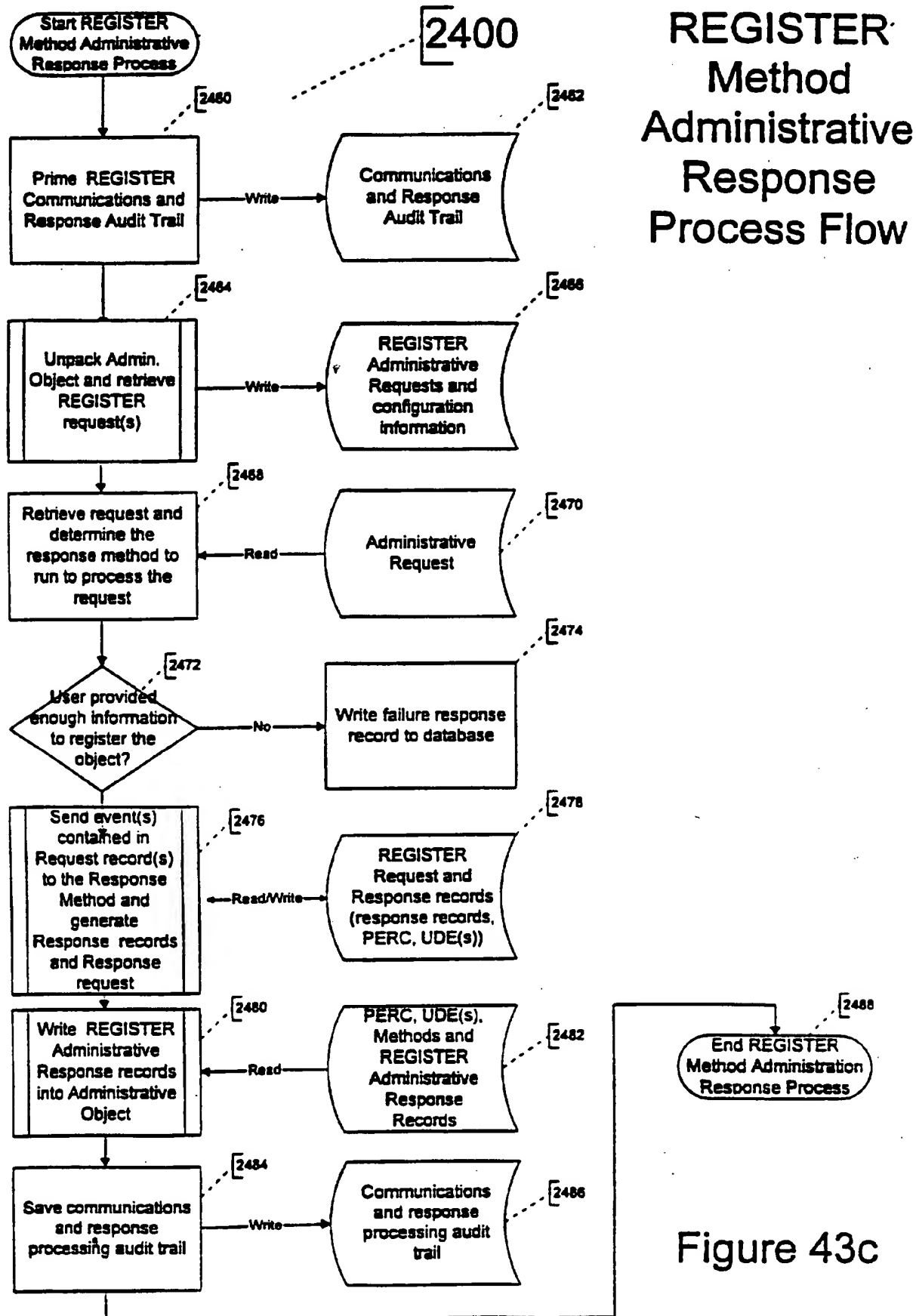


Figure 43c

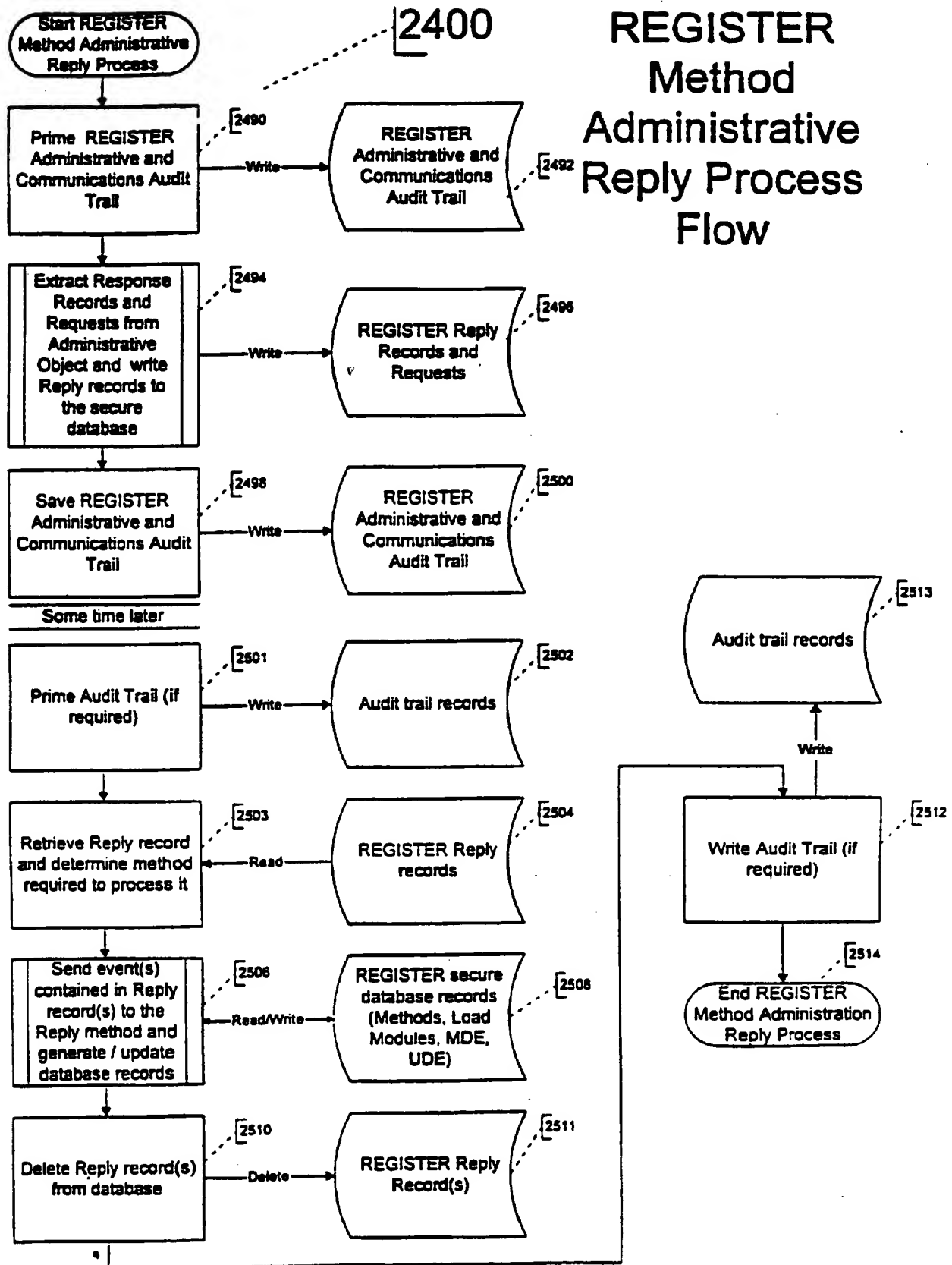


Figure 43d

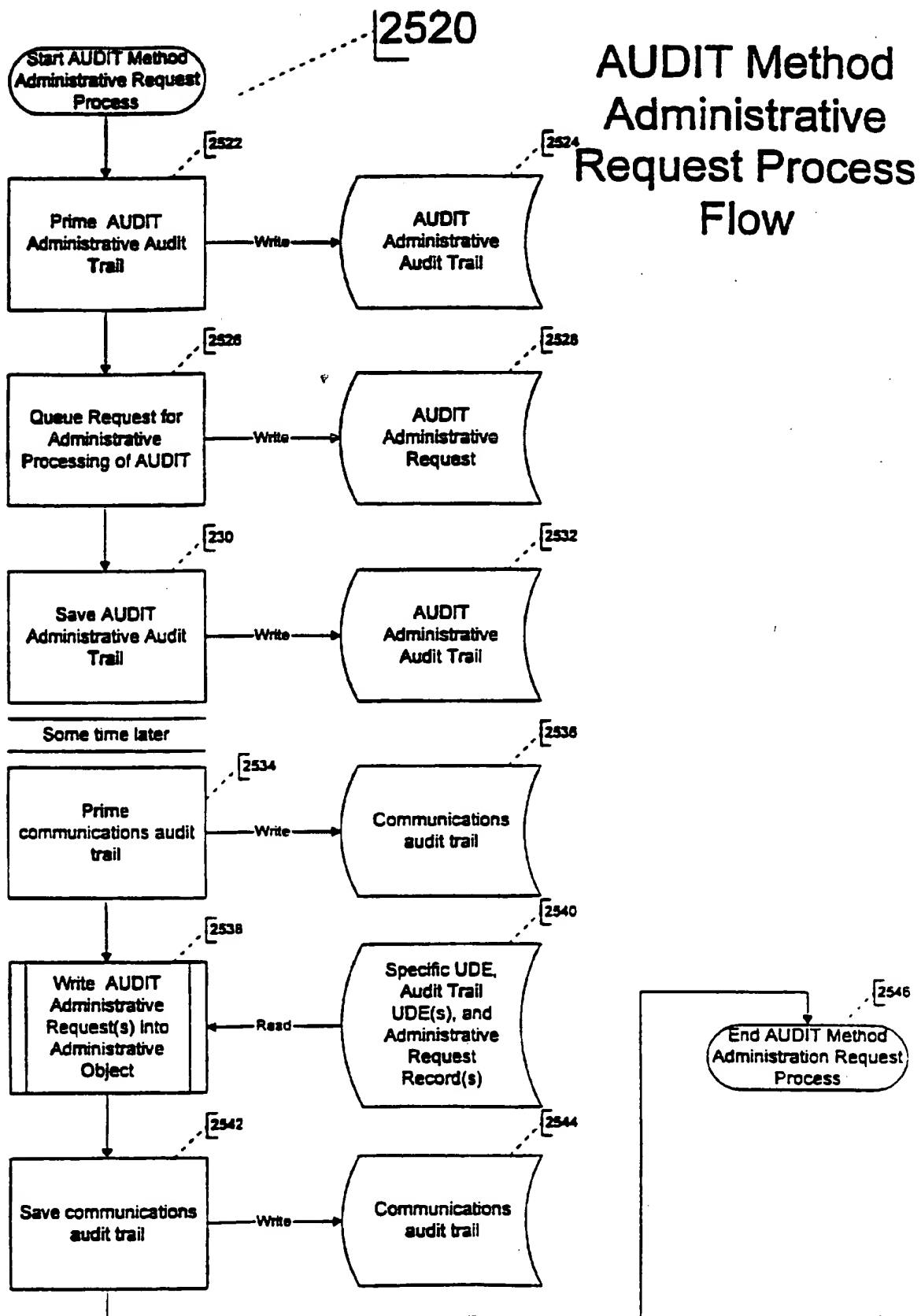
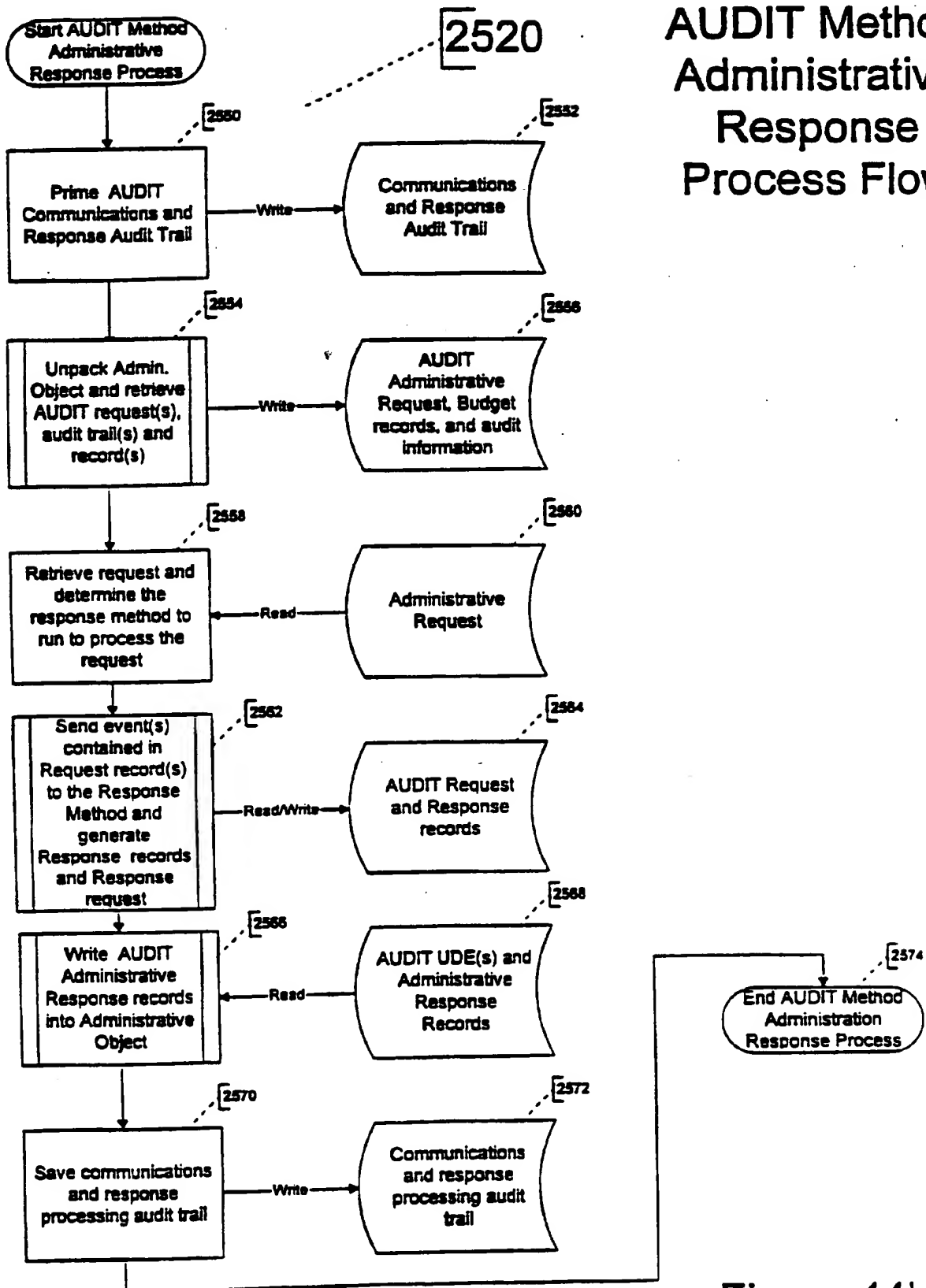


Figure 44a



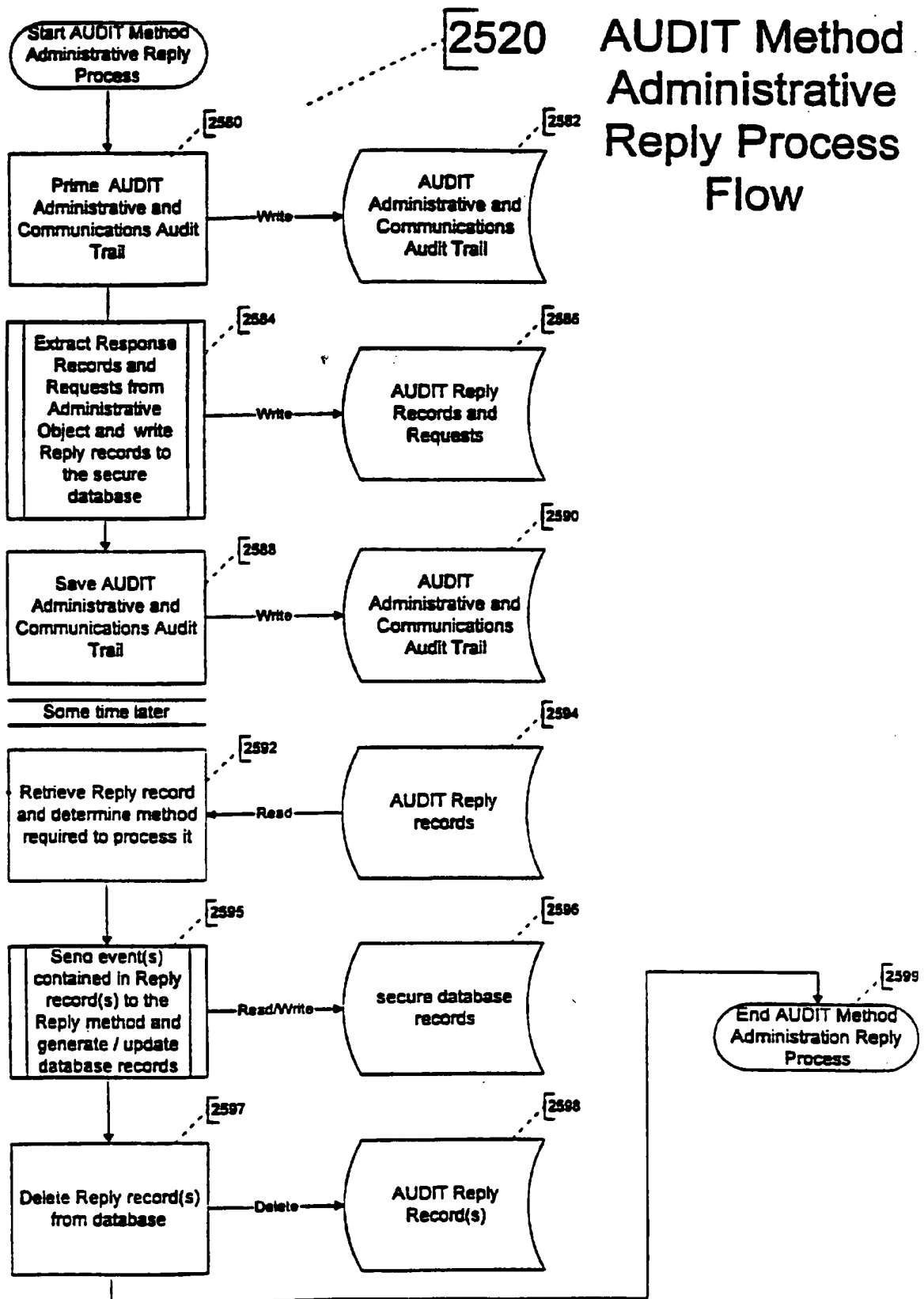


Figure 44c

FIG. 45

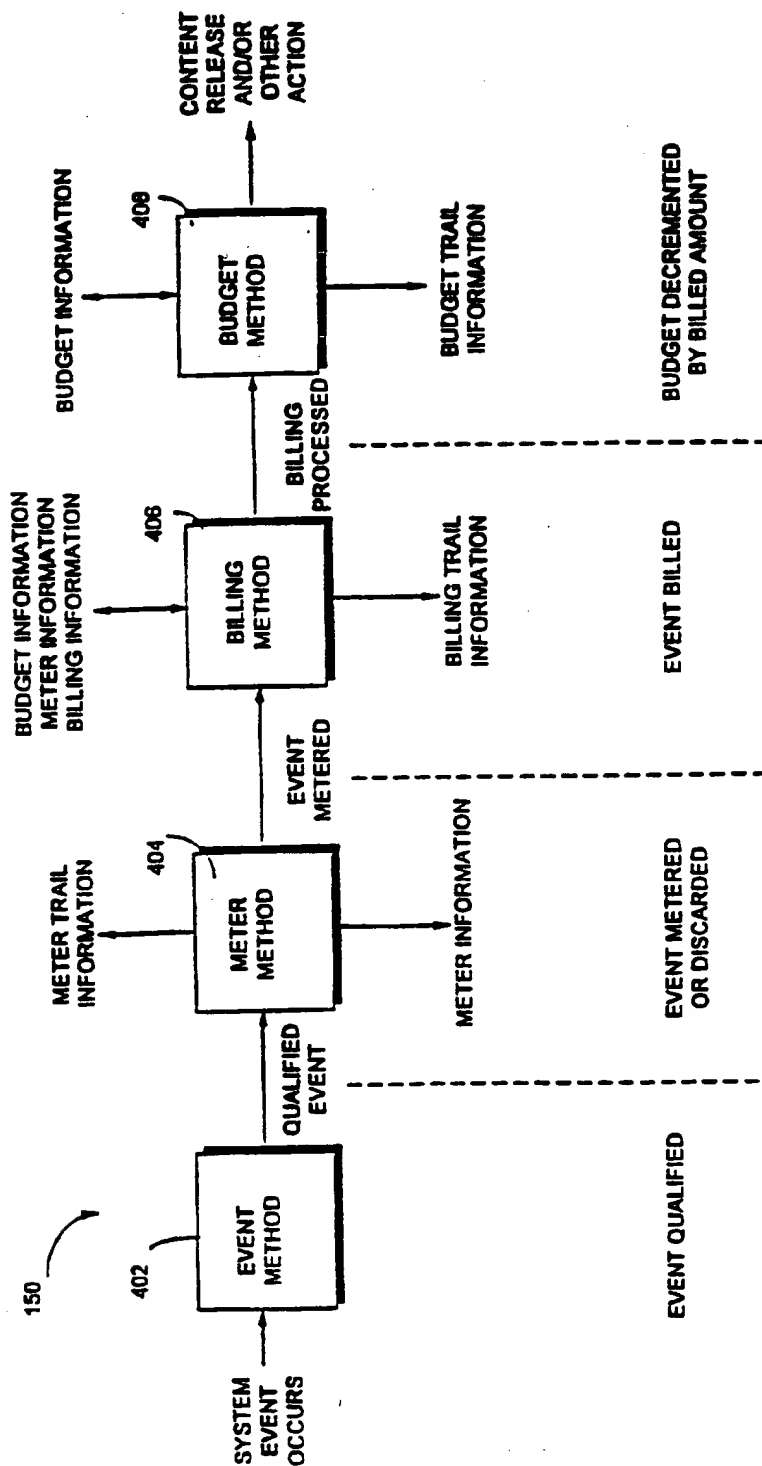


FIG. 46

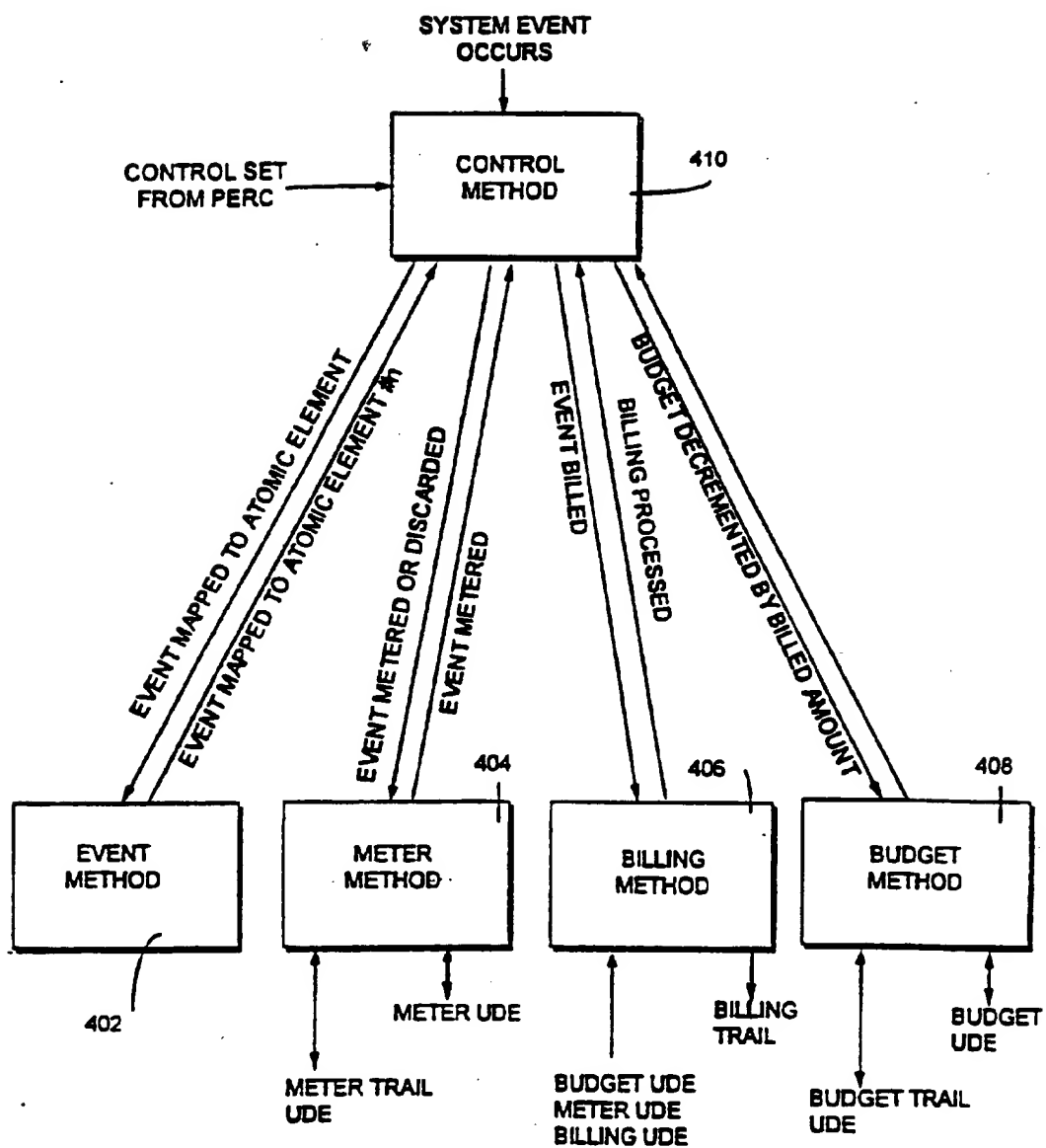
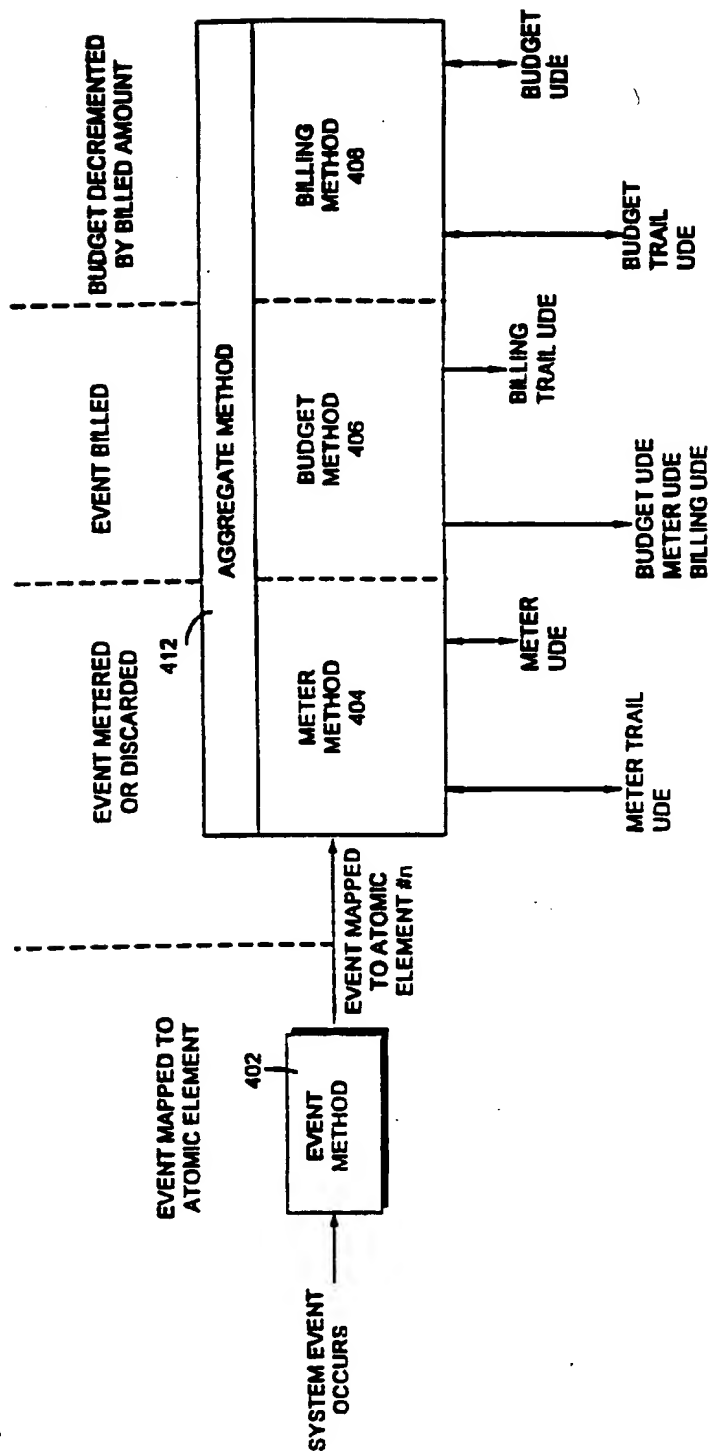




FIG. 47



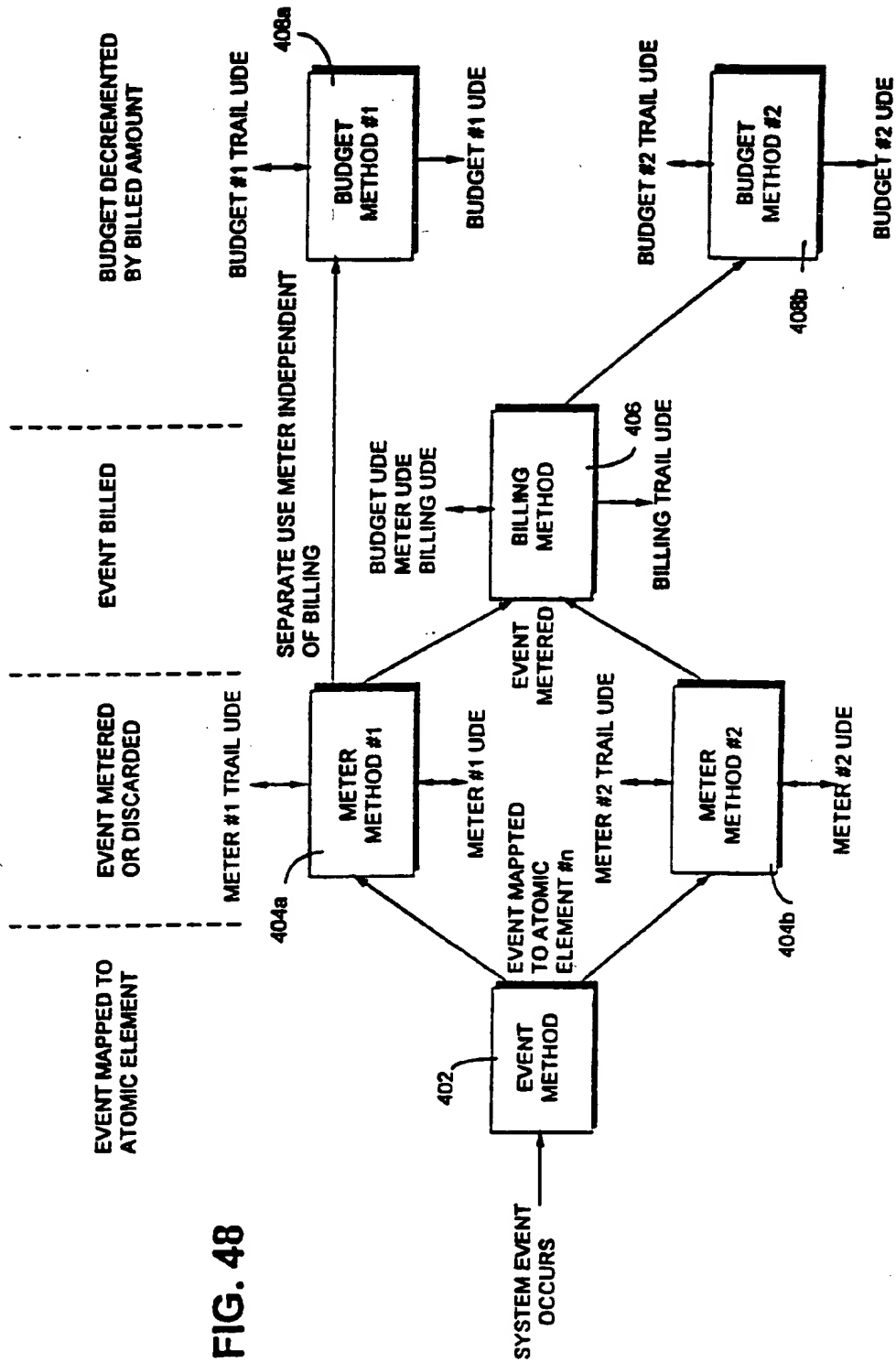


FIG. 48

# OPEN Method Use Process Flow

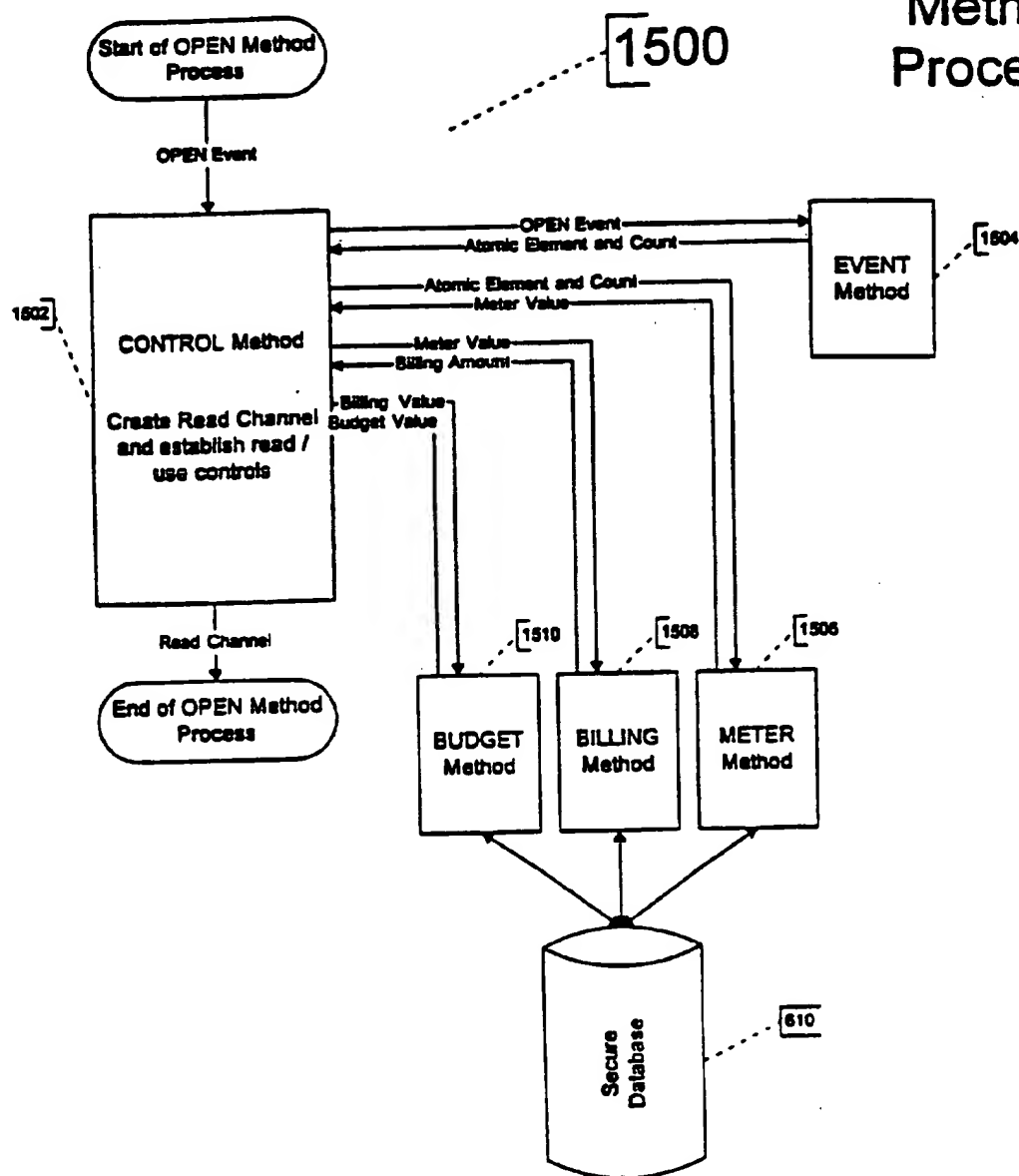


Figure 49

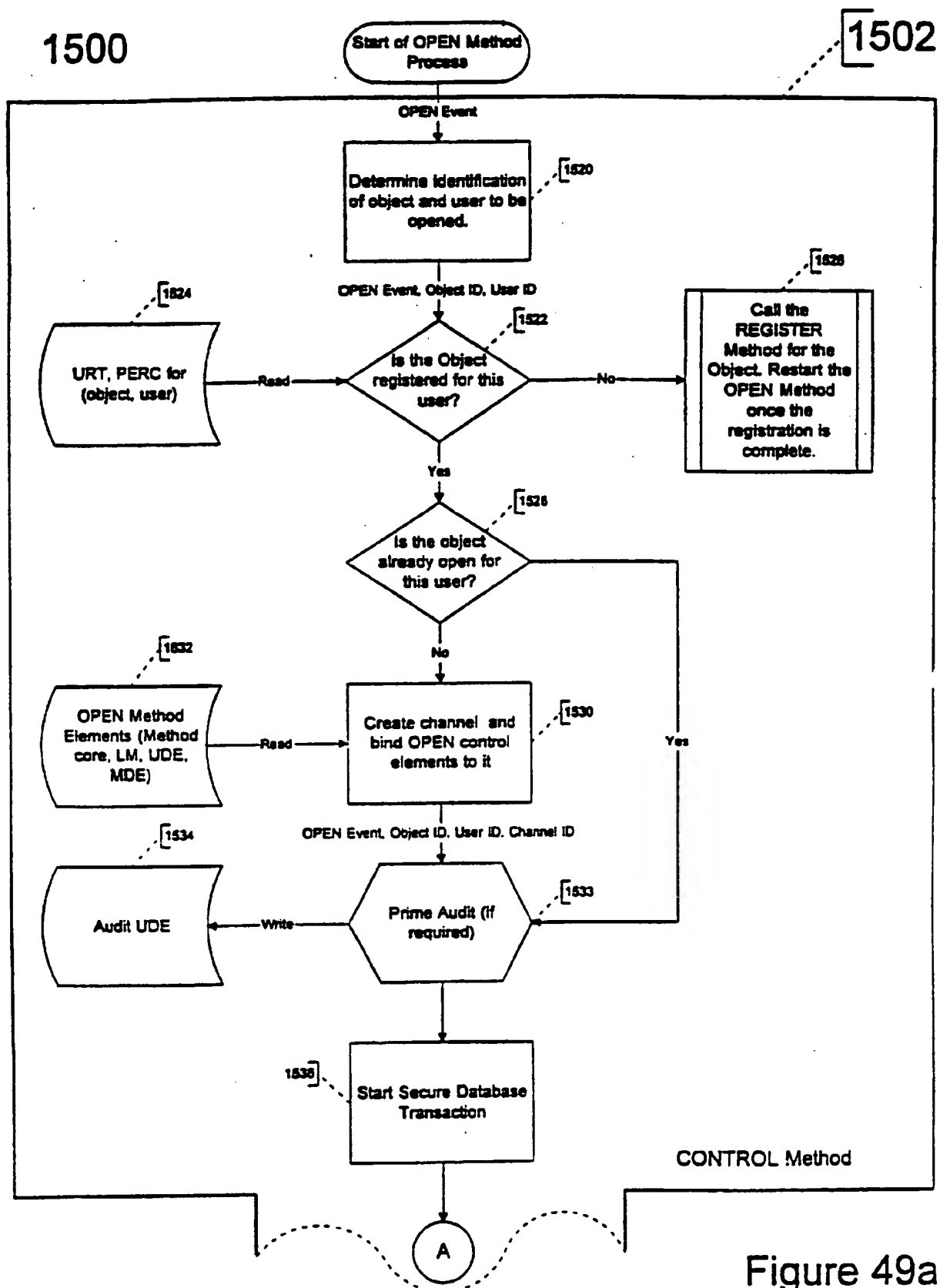
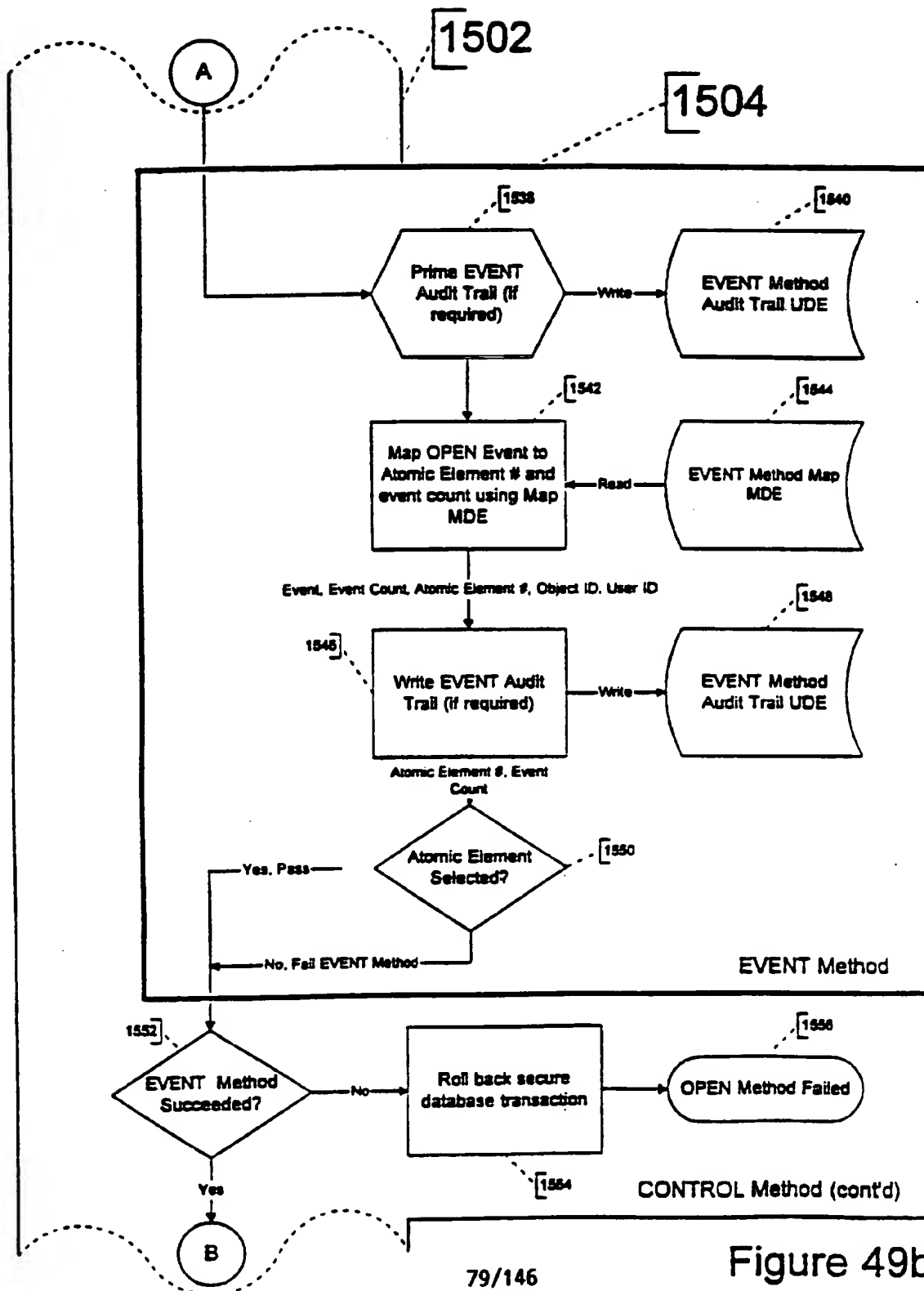
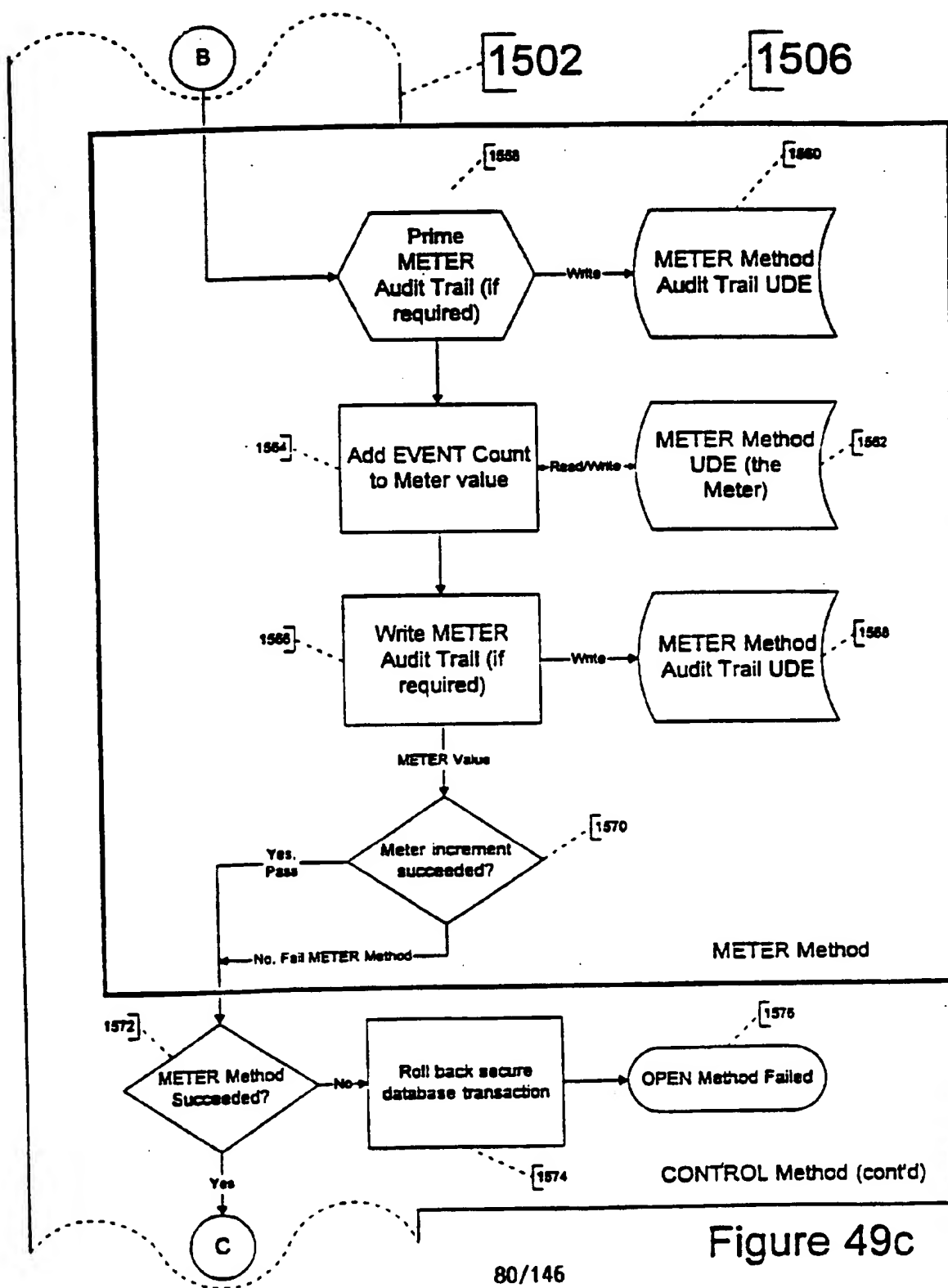
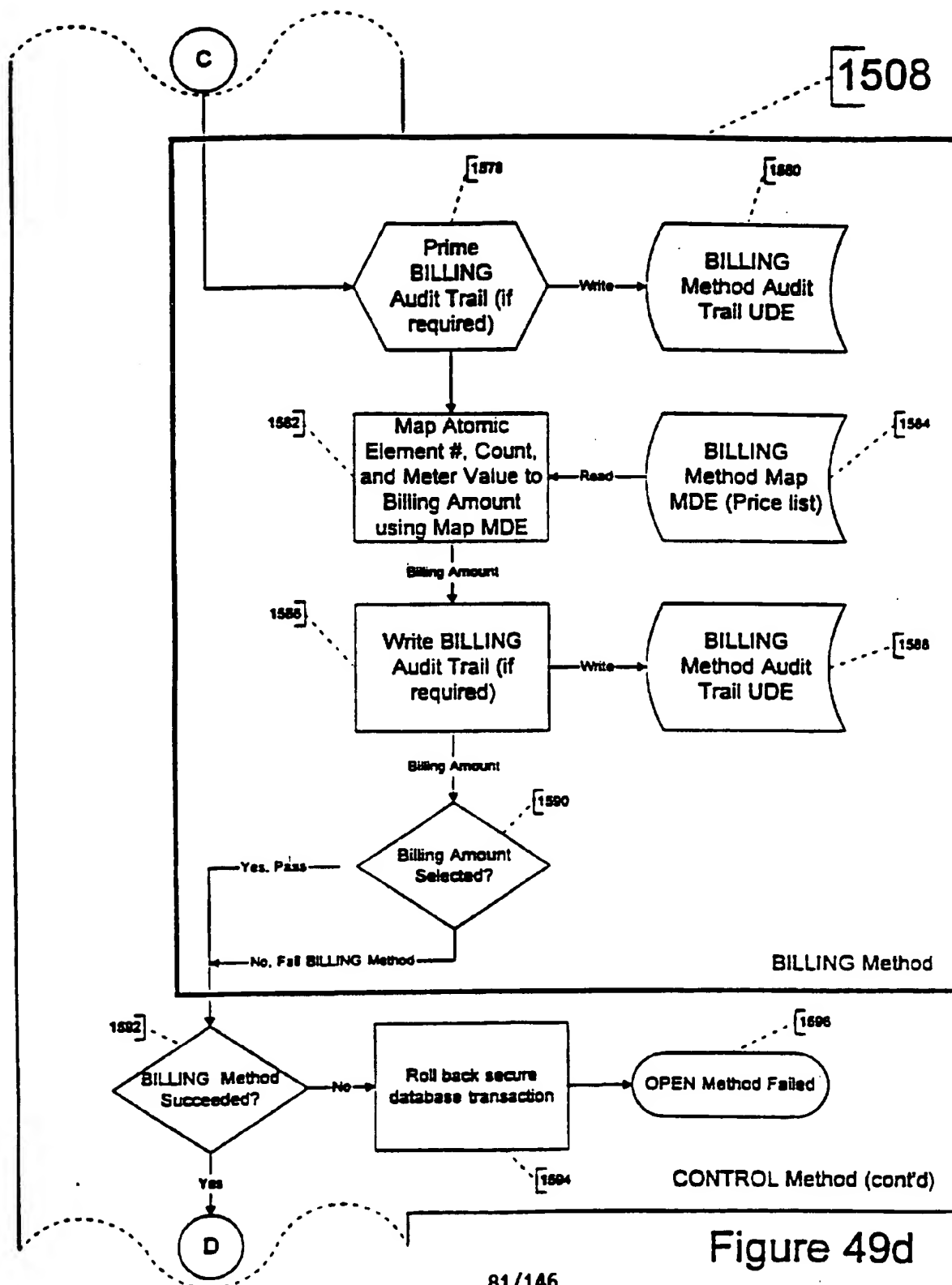


Figure 49a







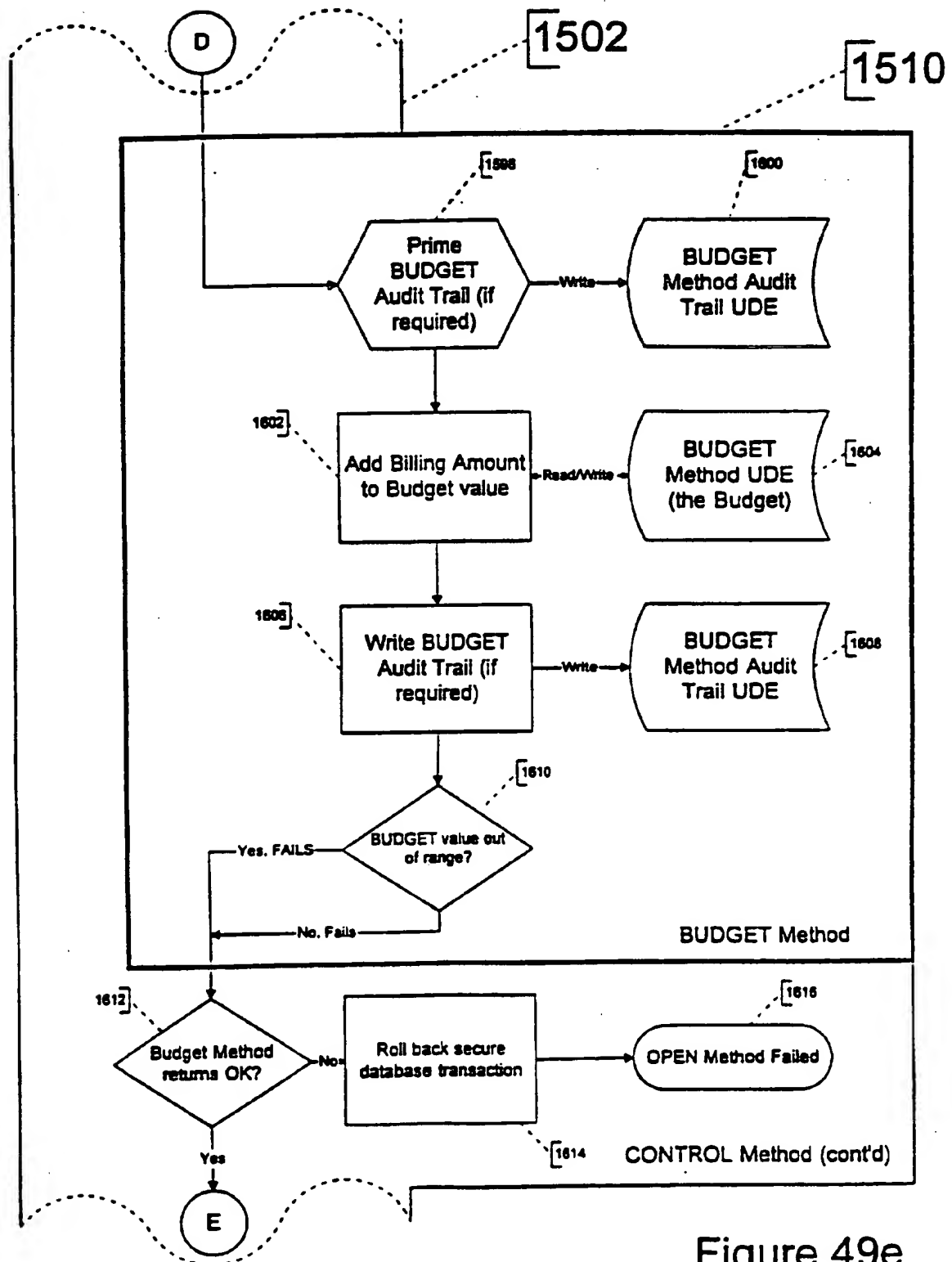


Figure 49e



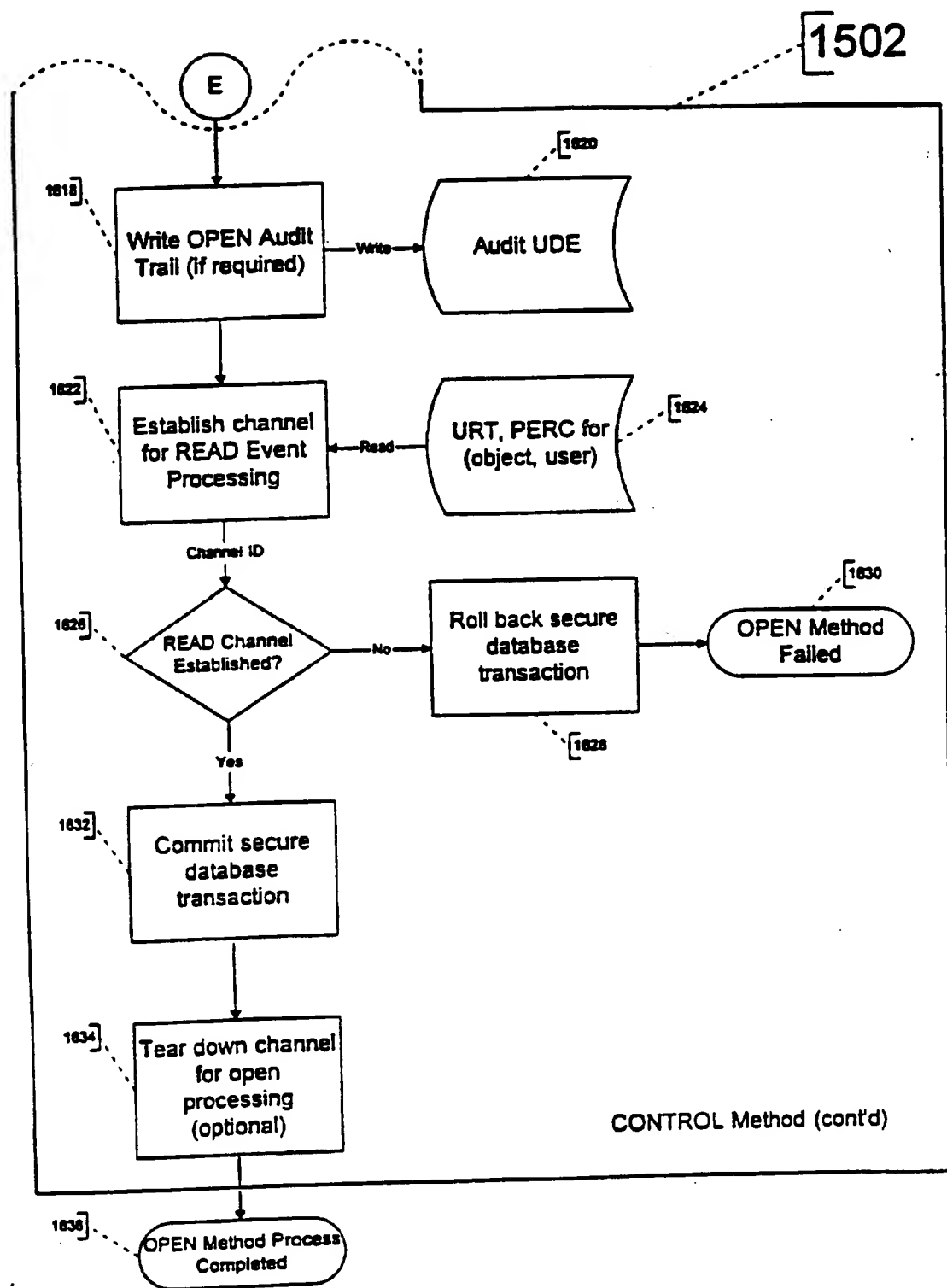


Figure 49f

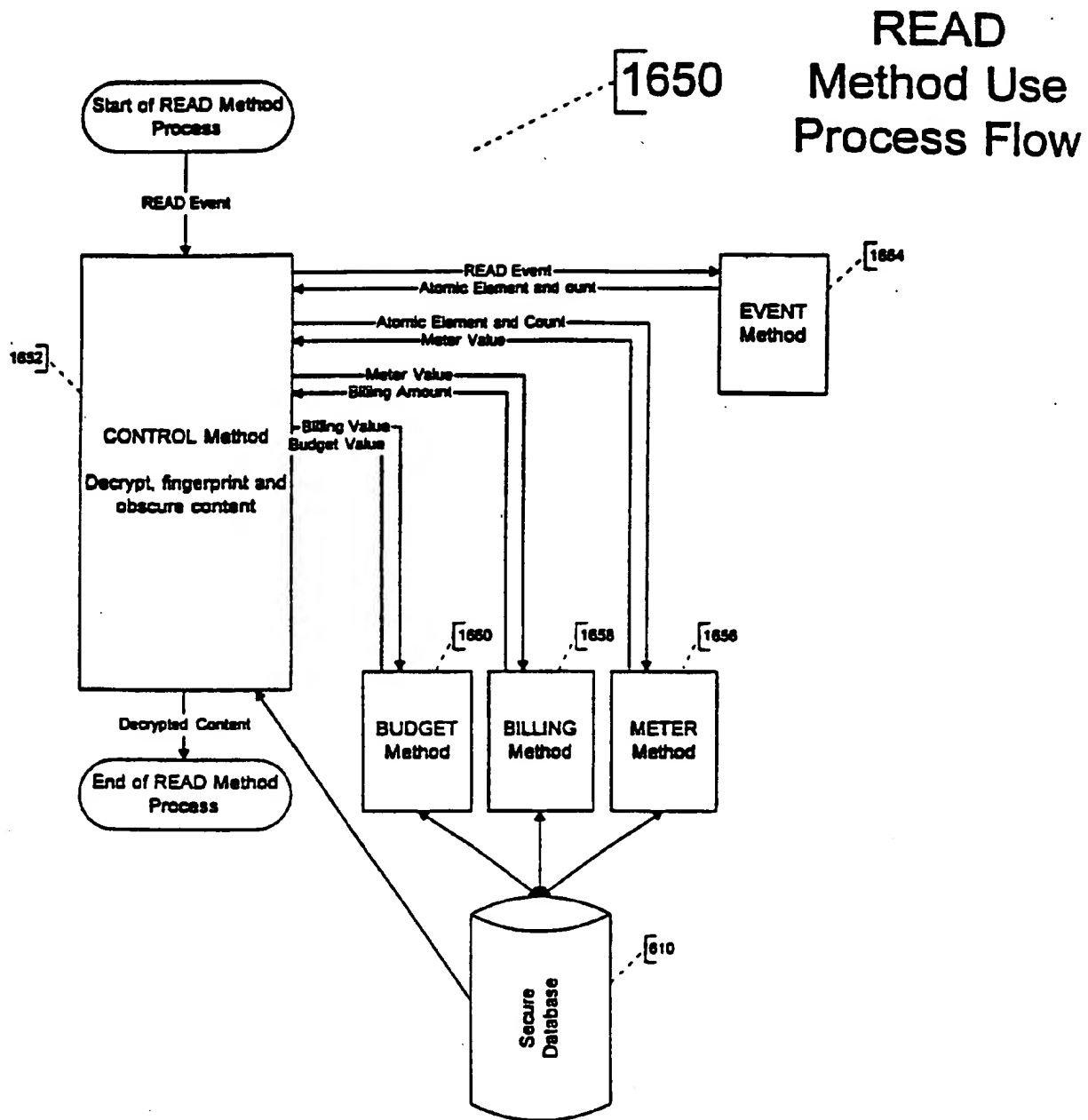


Figure 50

1650

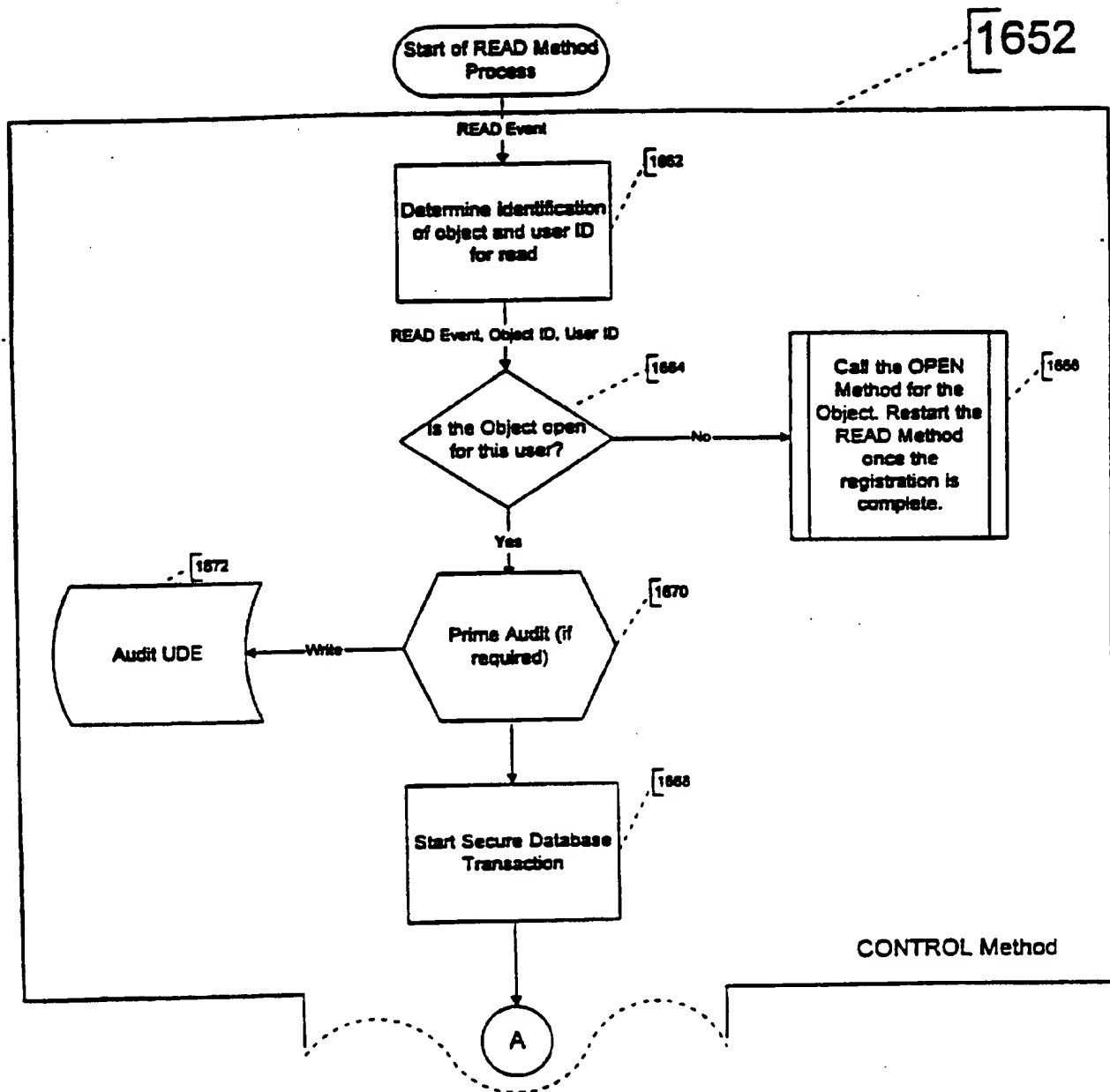
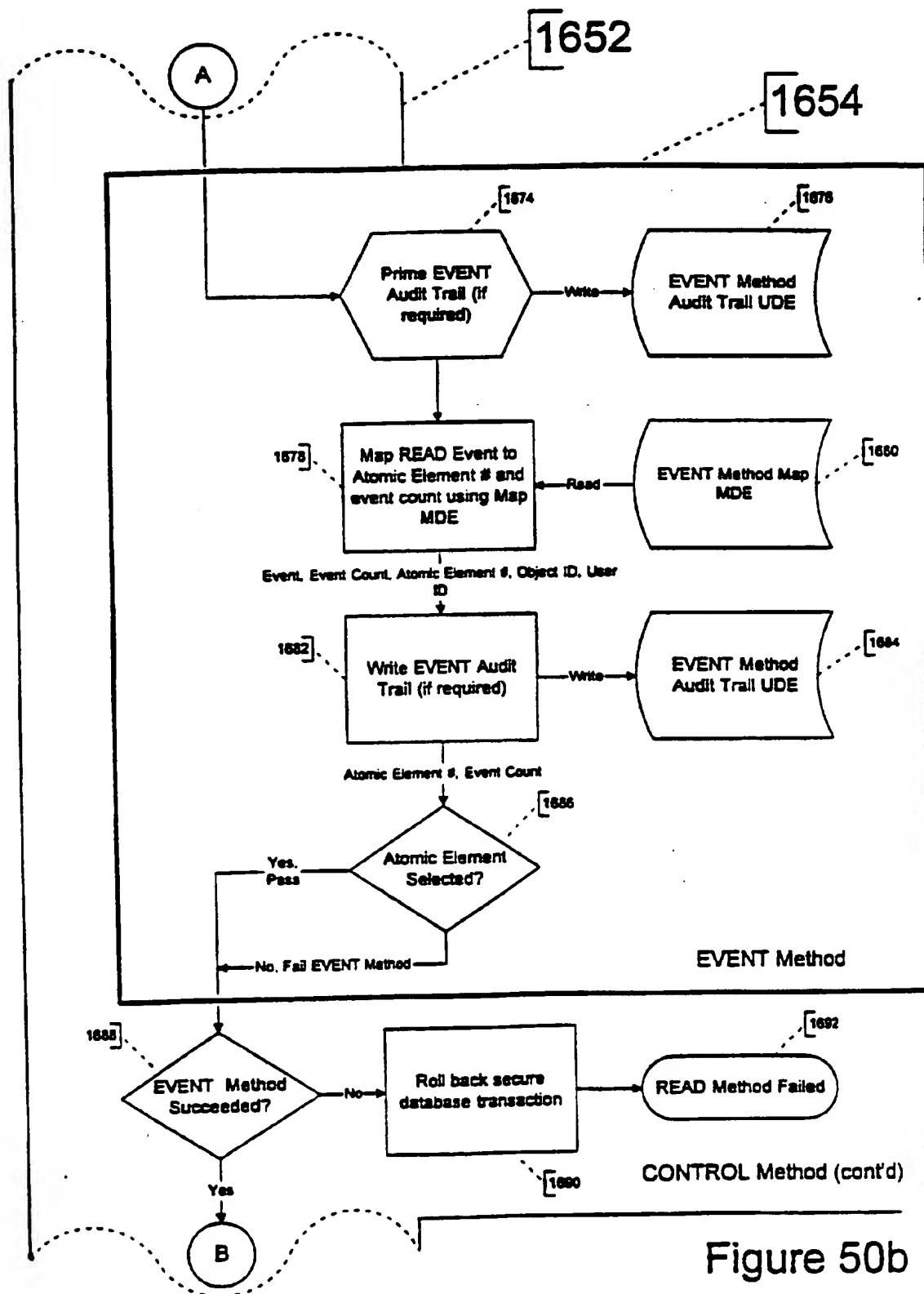
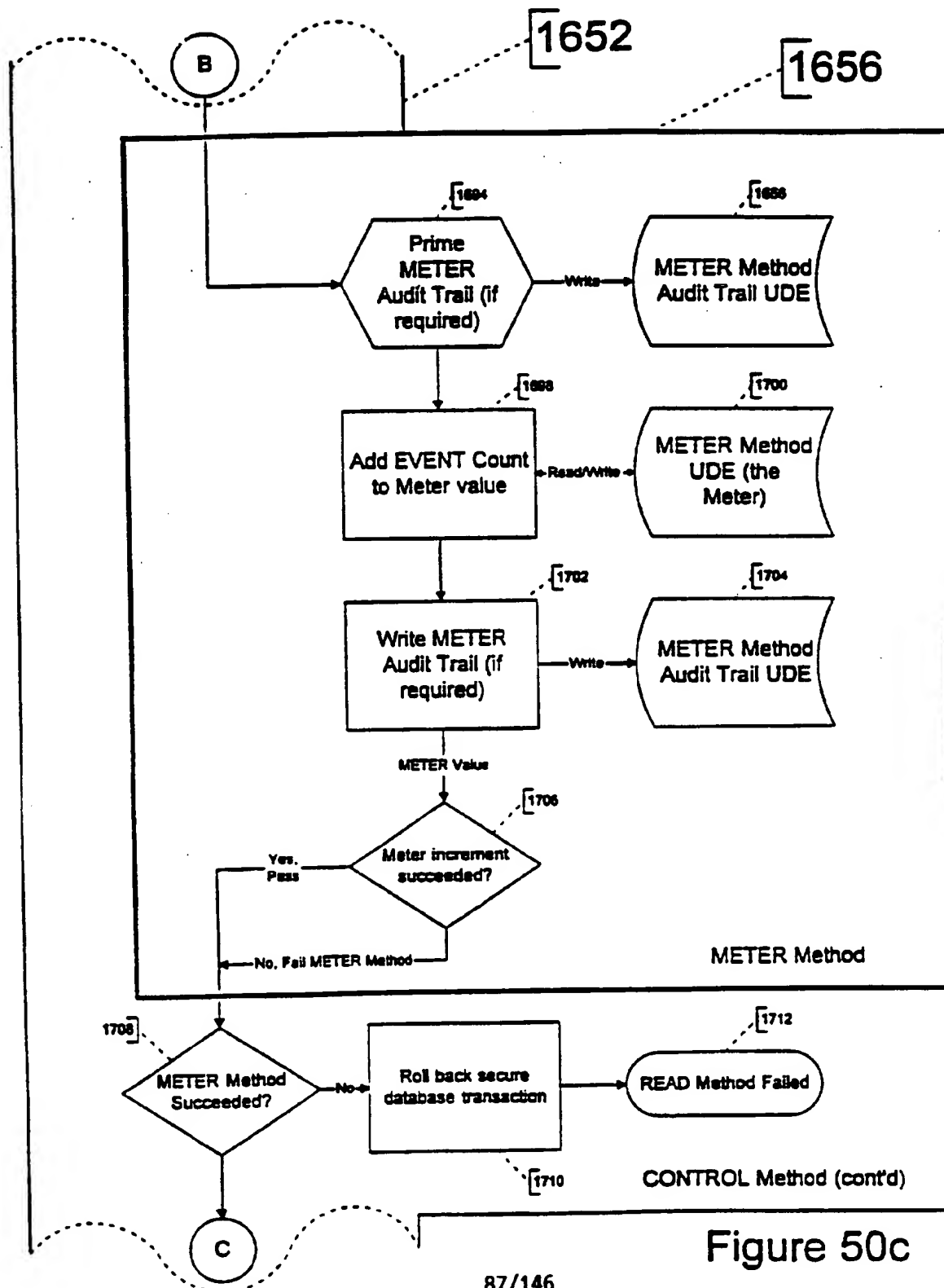


Figure 50a





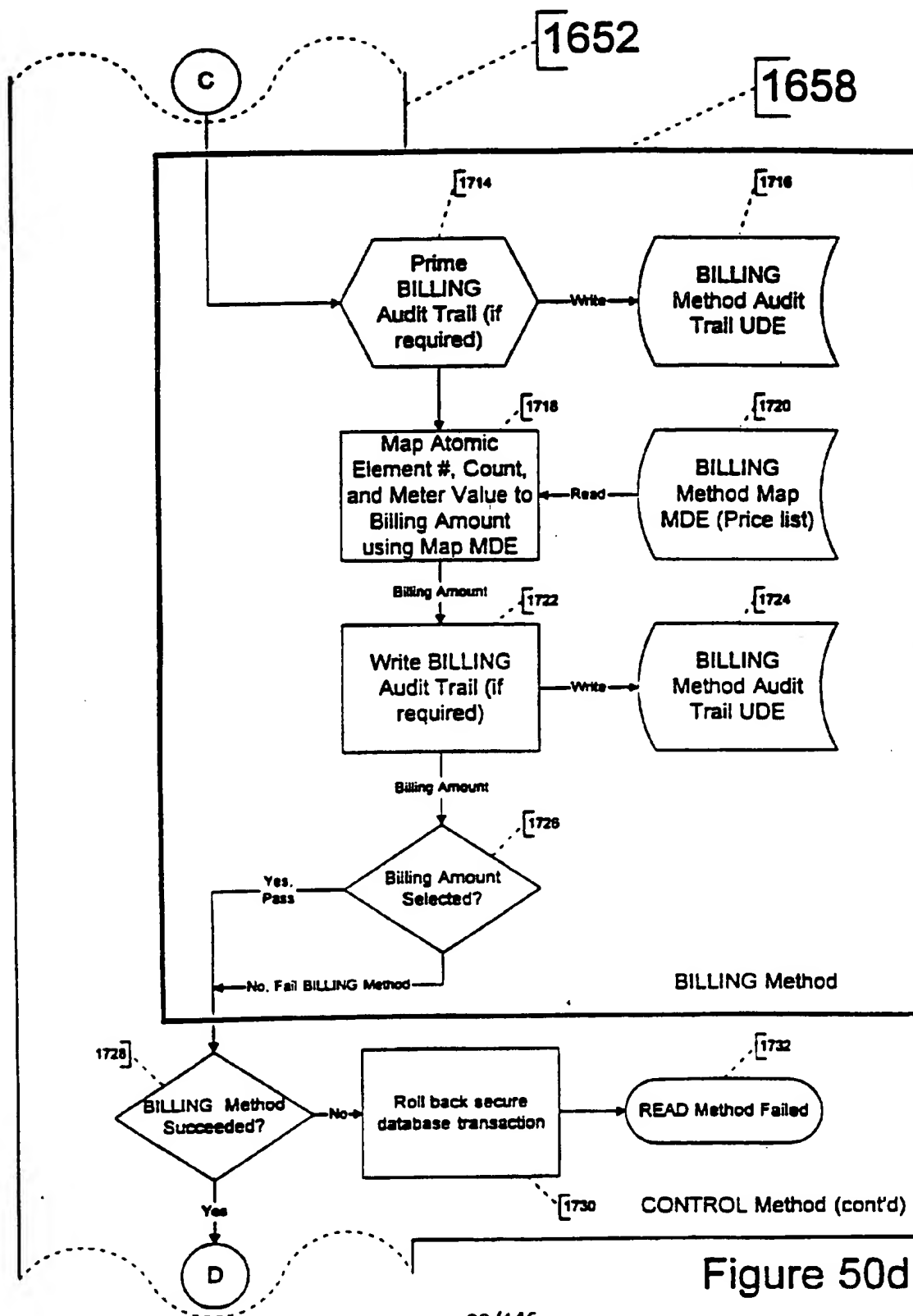


Figure 50d

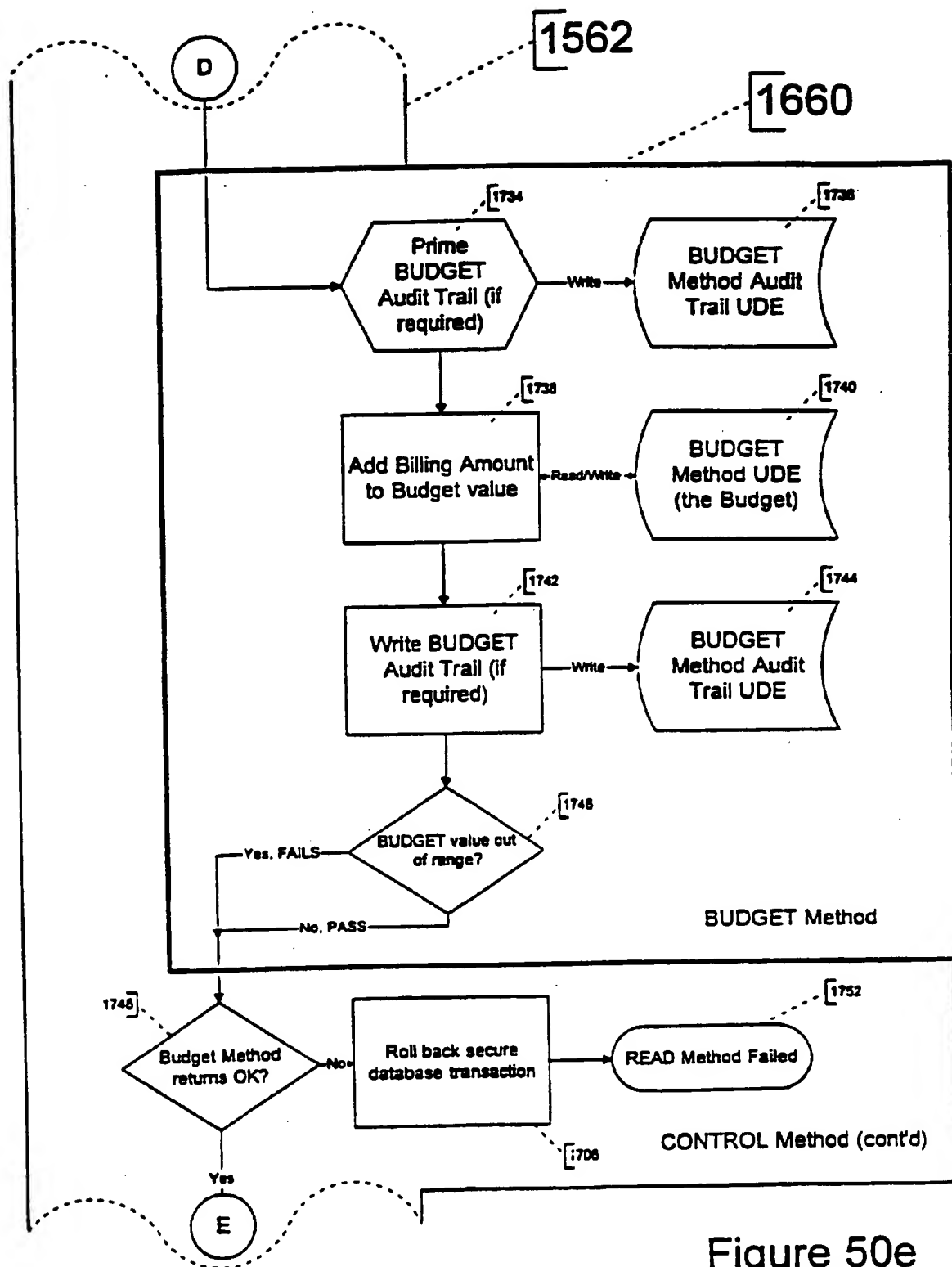
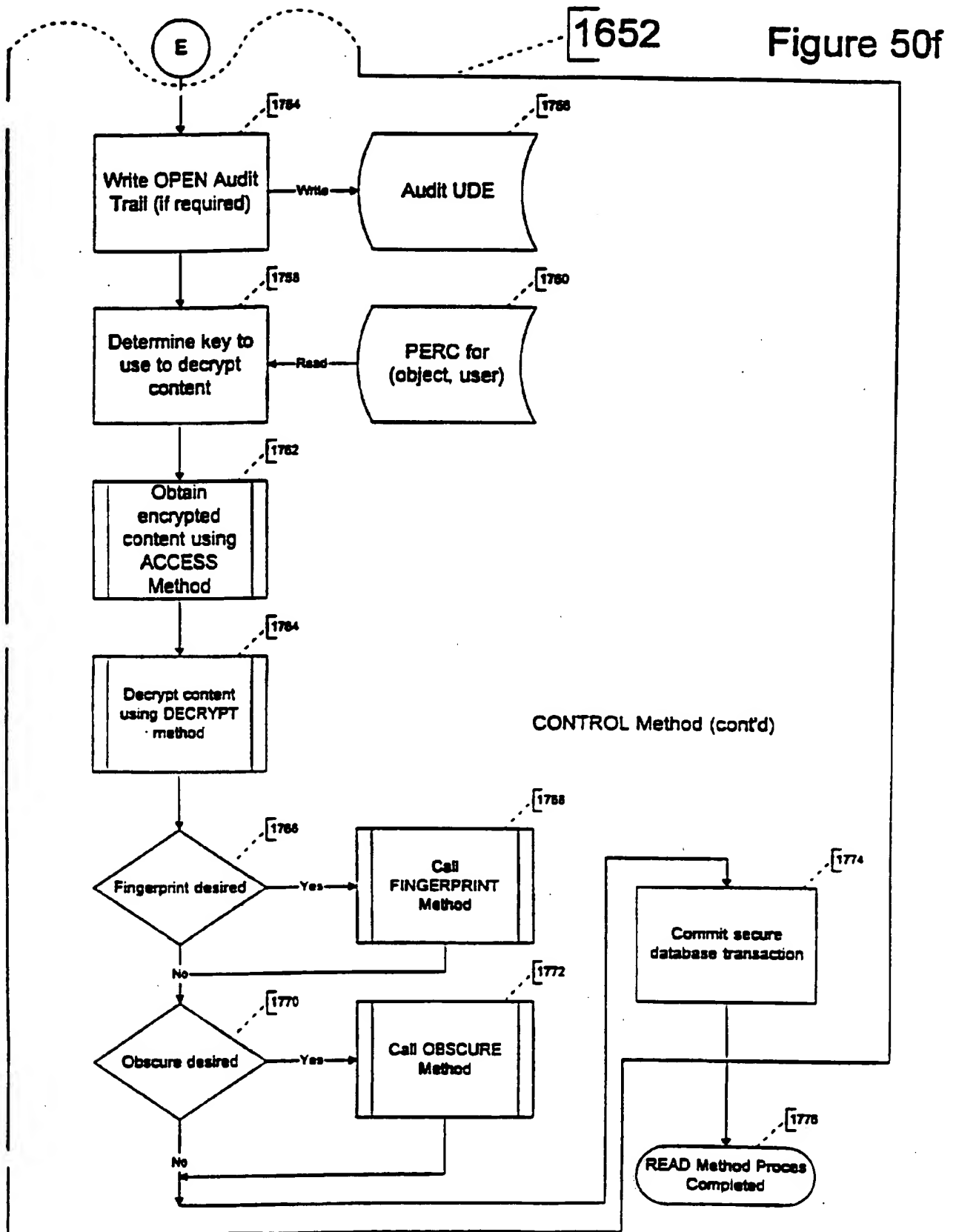


Figure 50e





# WRITE Method Use Process Flow

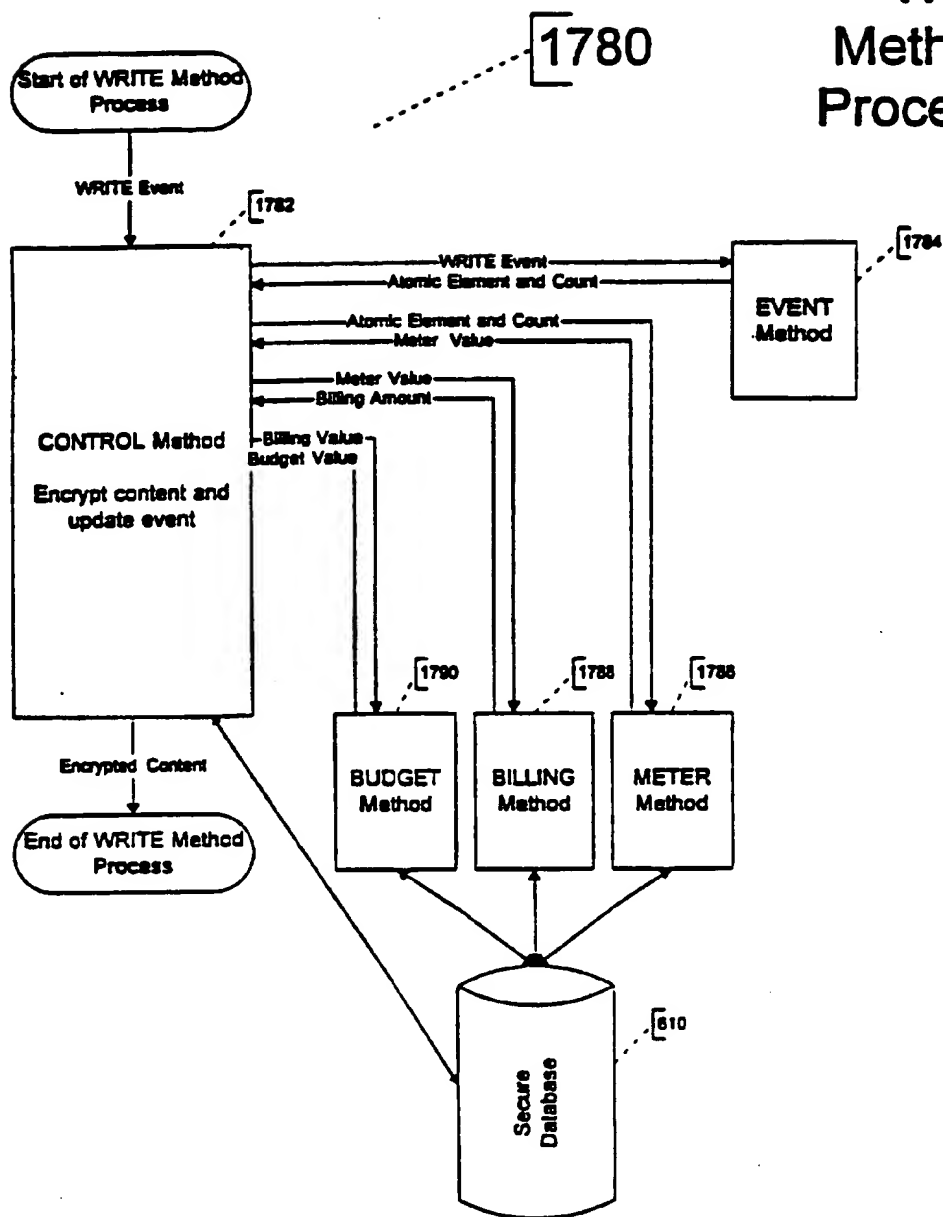


Figure 51

1780

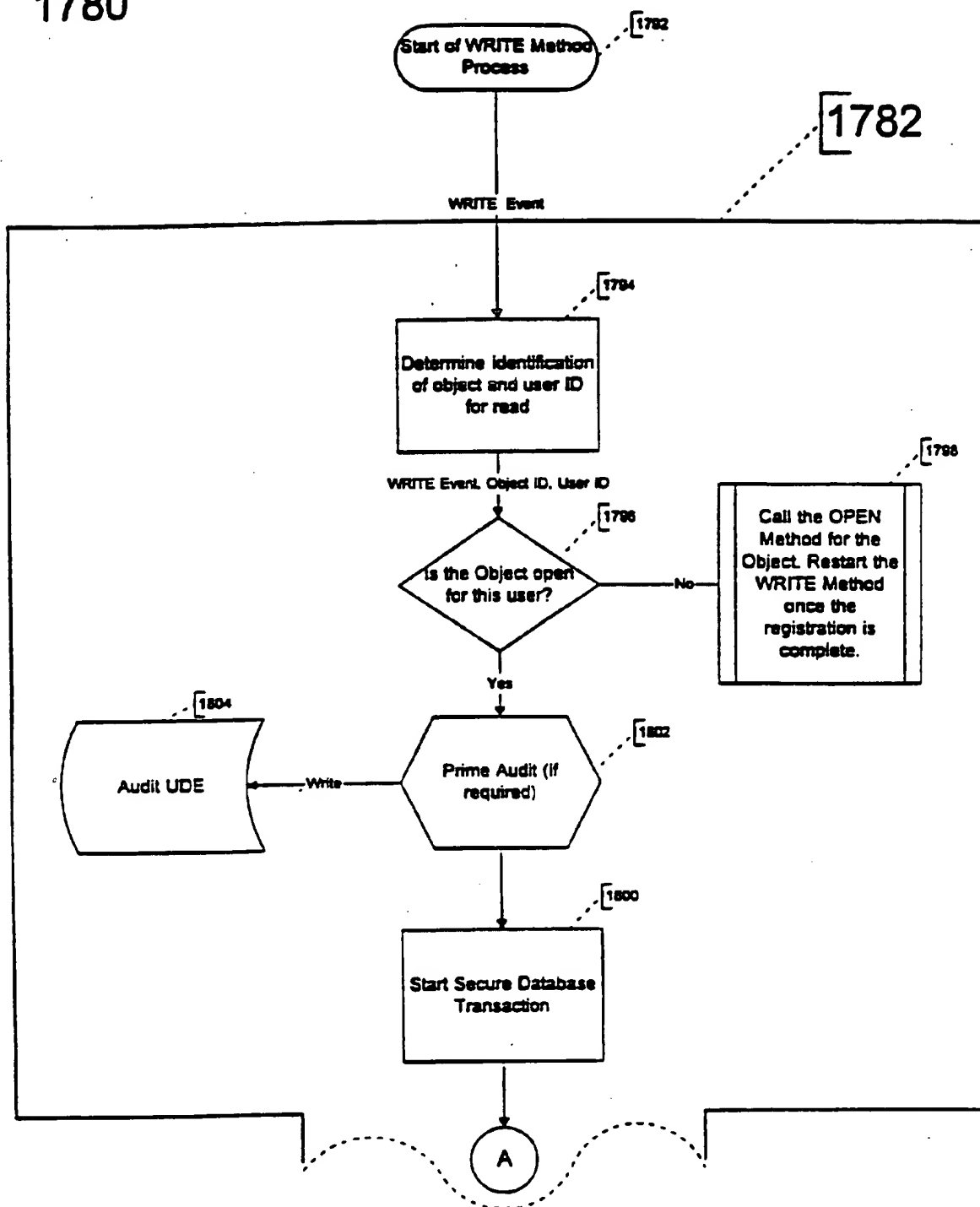
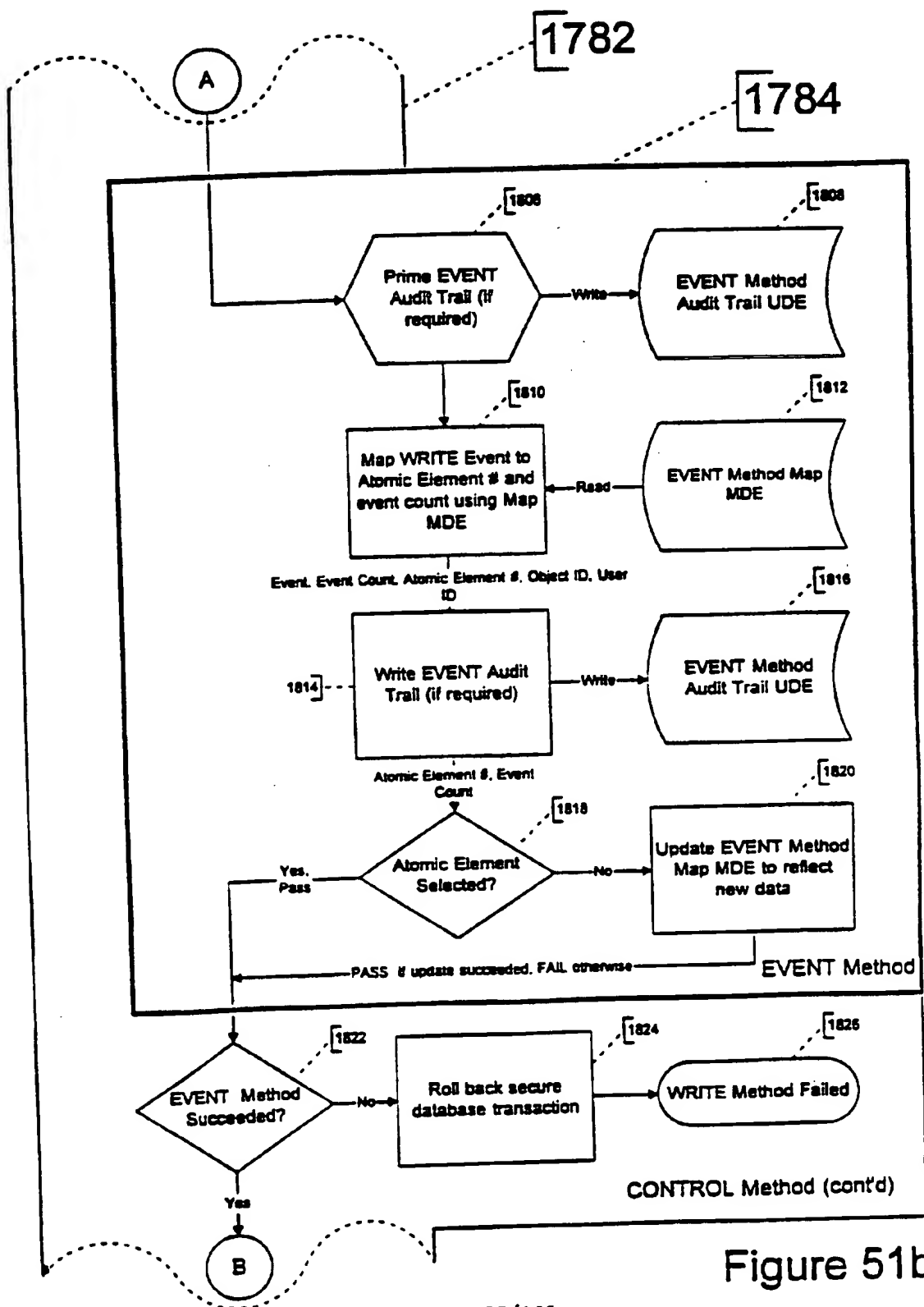


Figure 51a



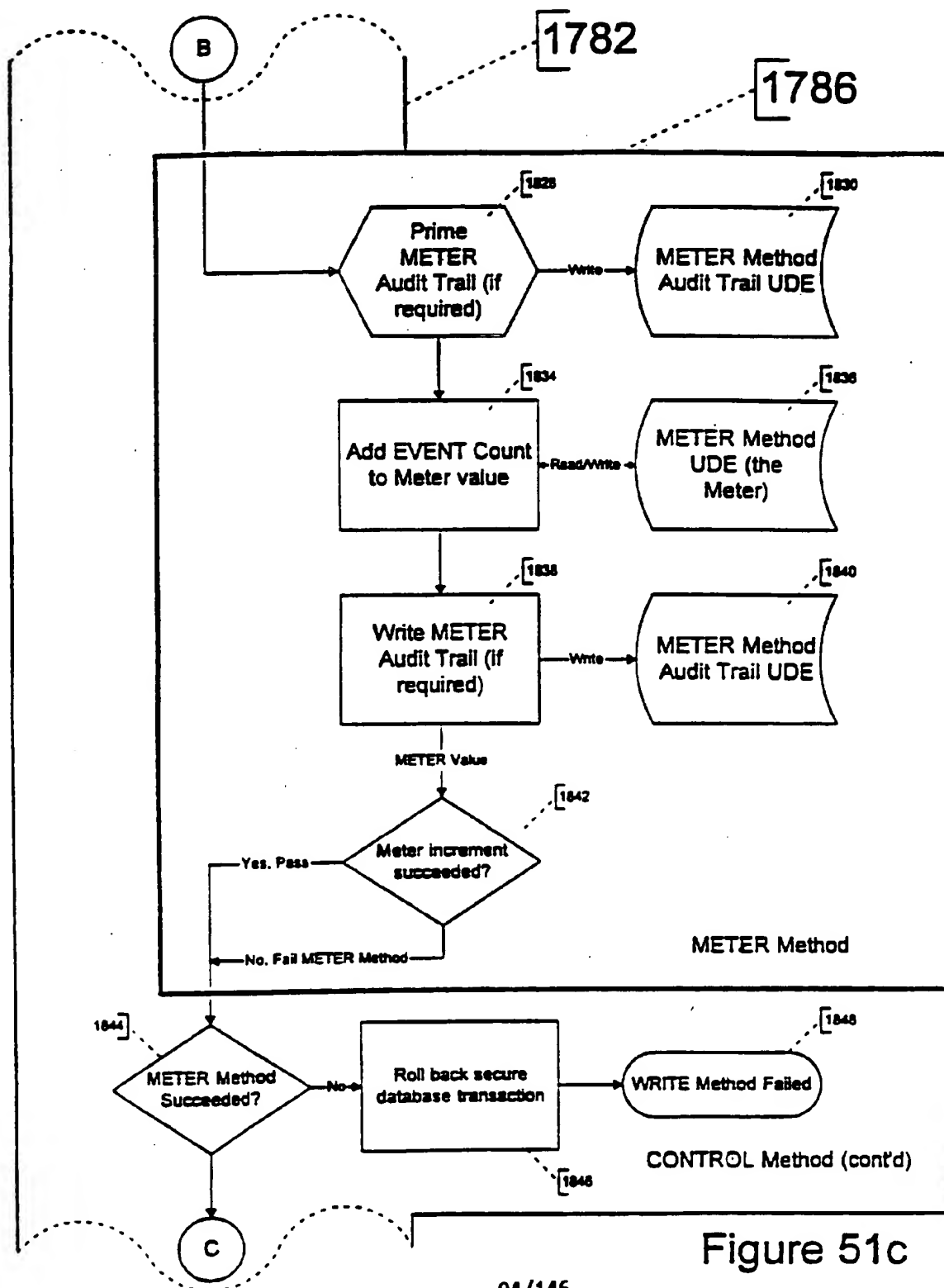


Figure 51c

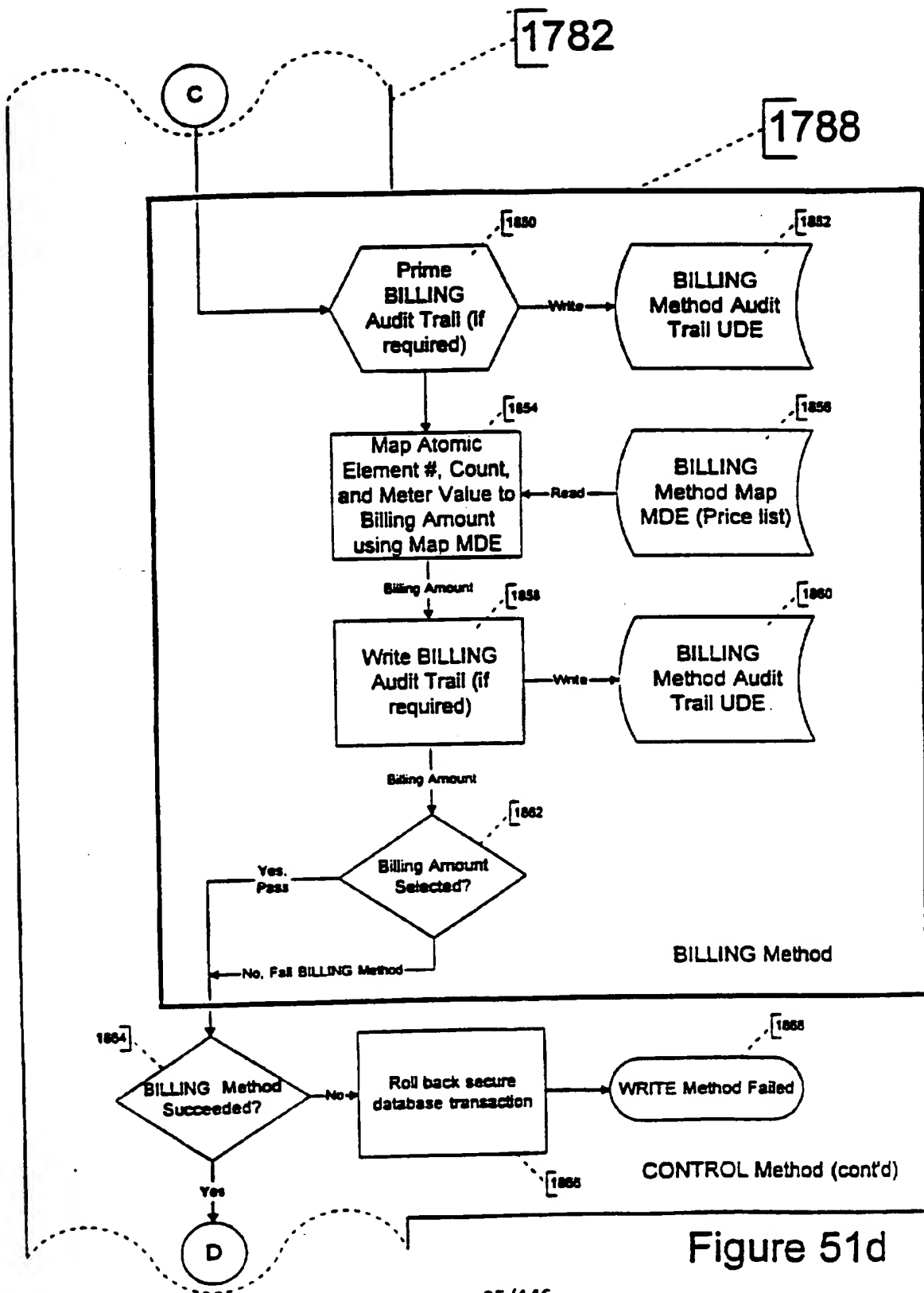


Figure 51d

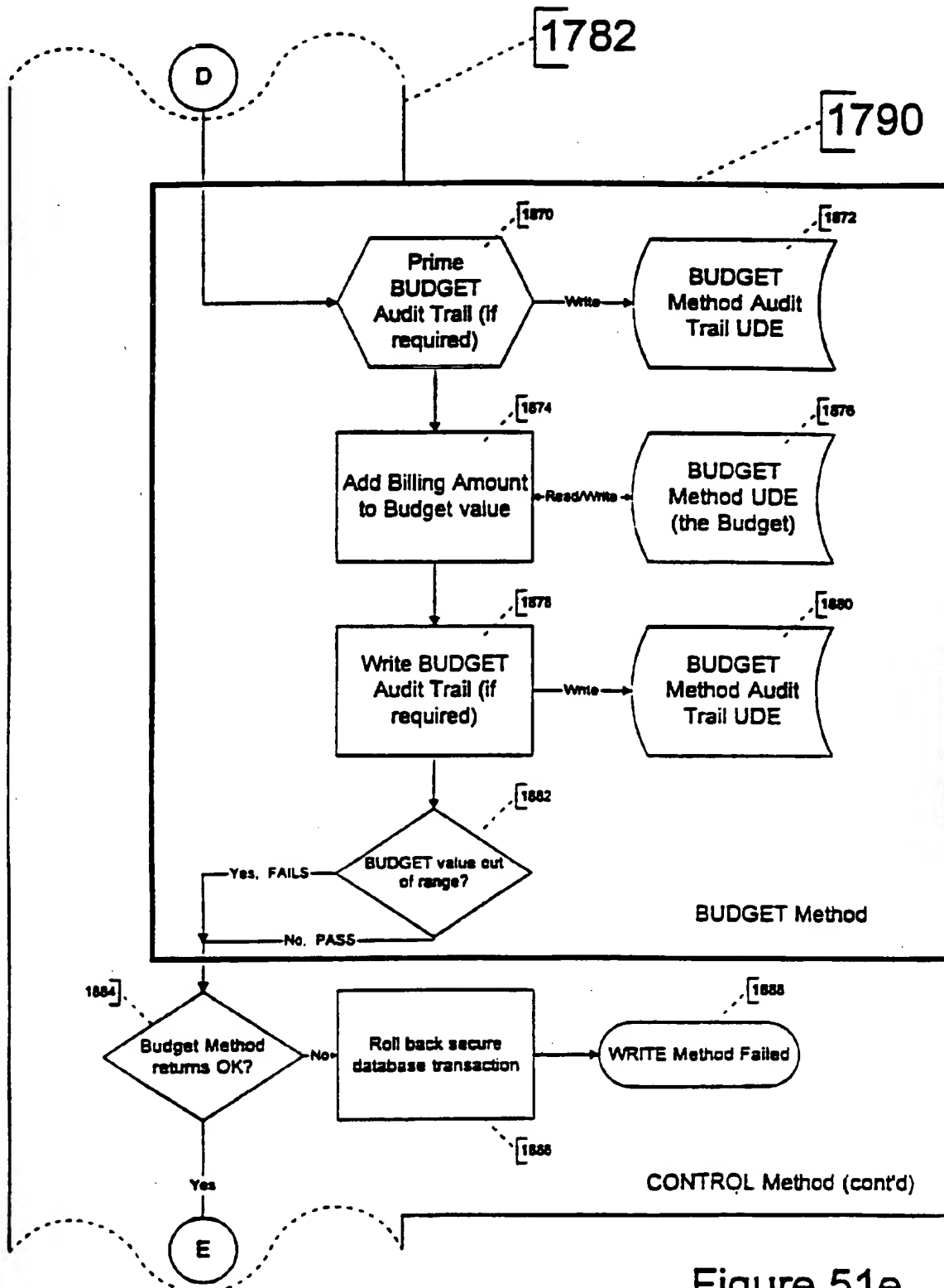


Figure 51e

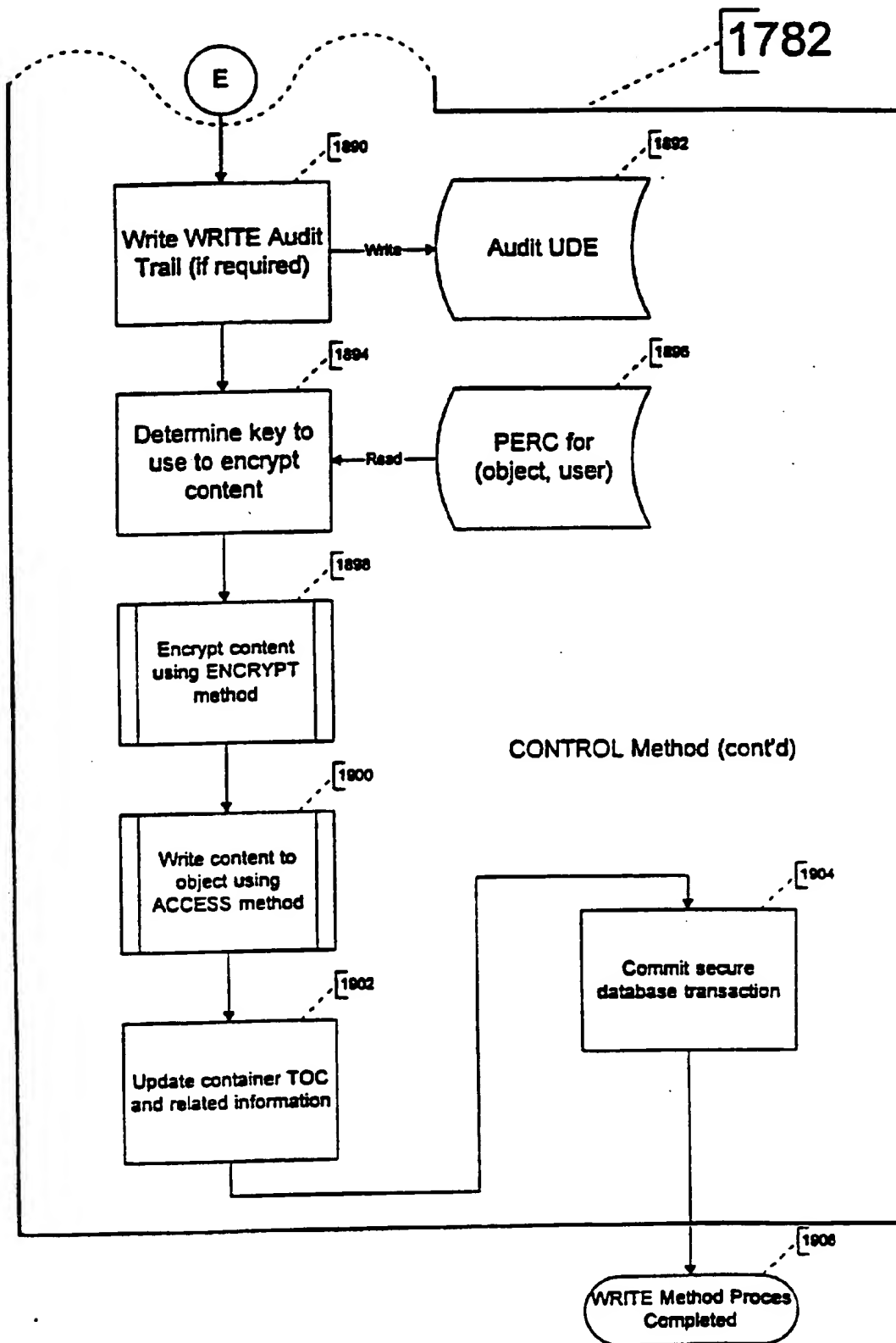
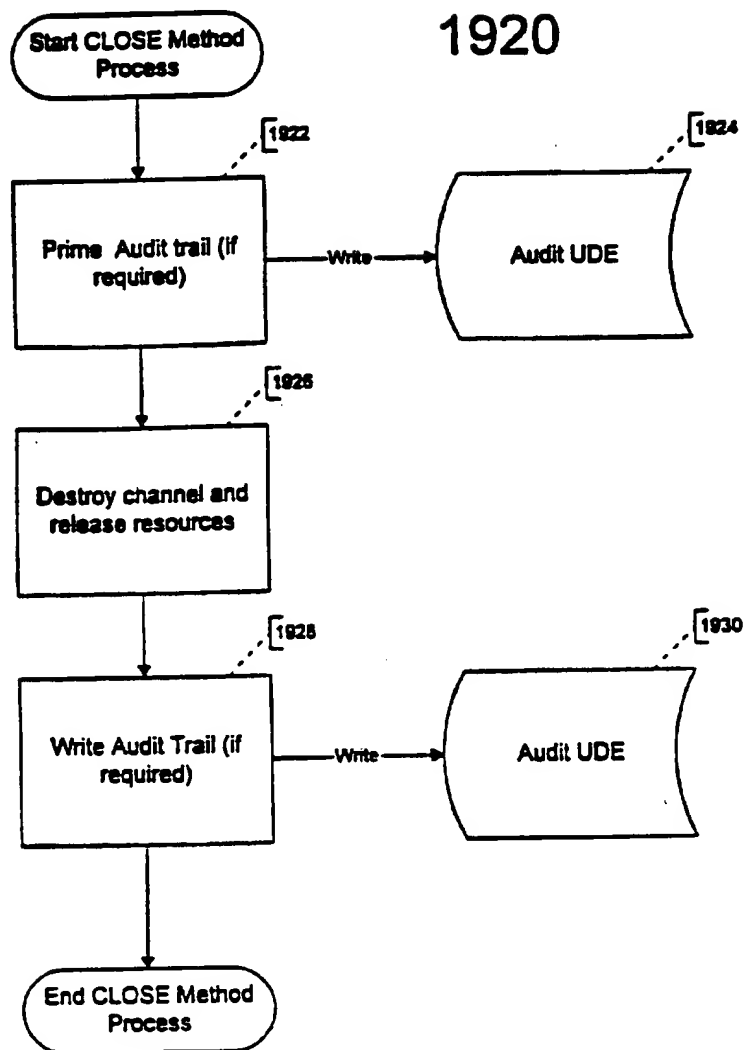


Figure 51f



## CLOSE Method Process Flow

Figure 52



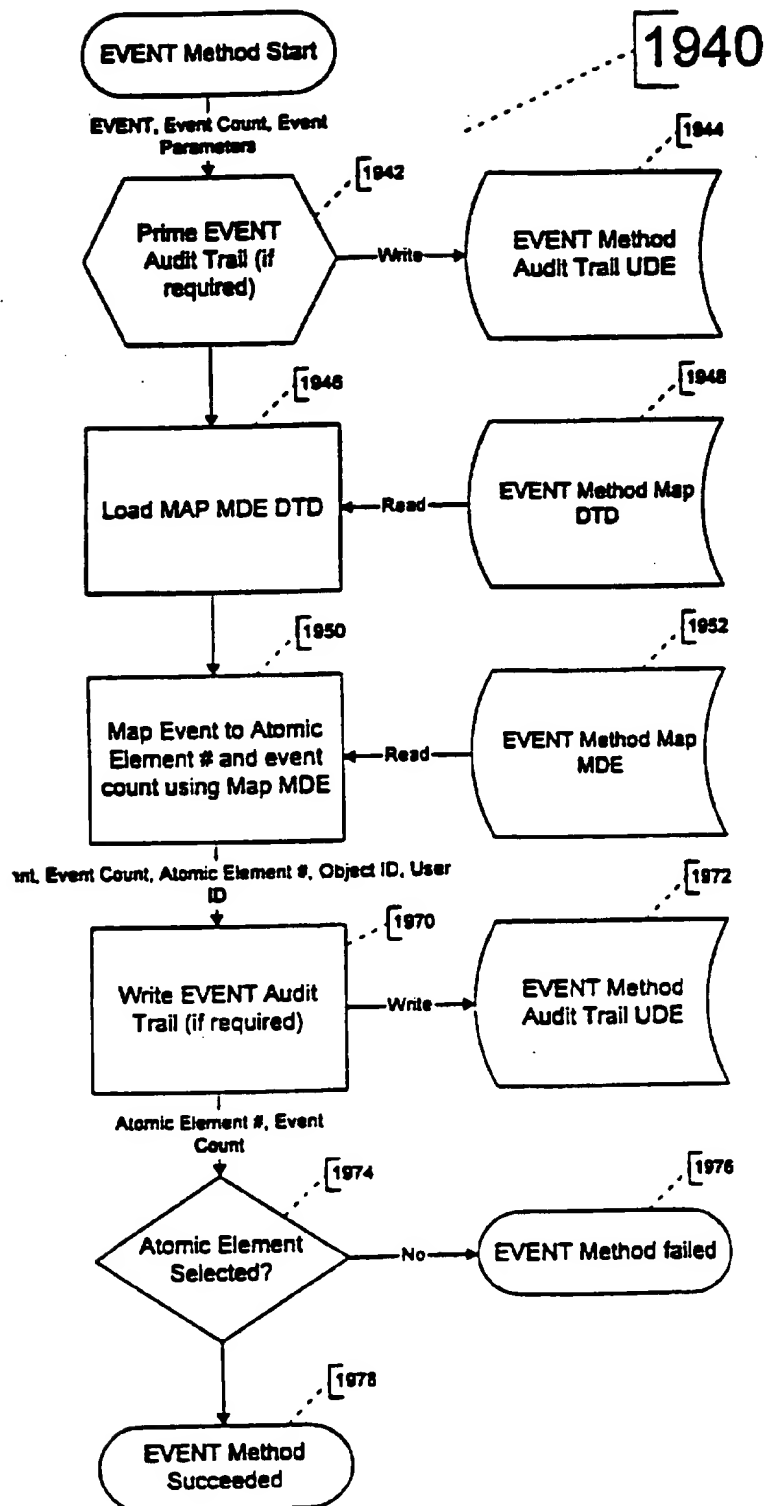


Figure 53a

# Sample EVENT Method Mapping Process

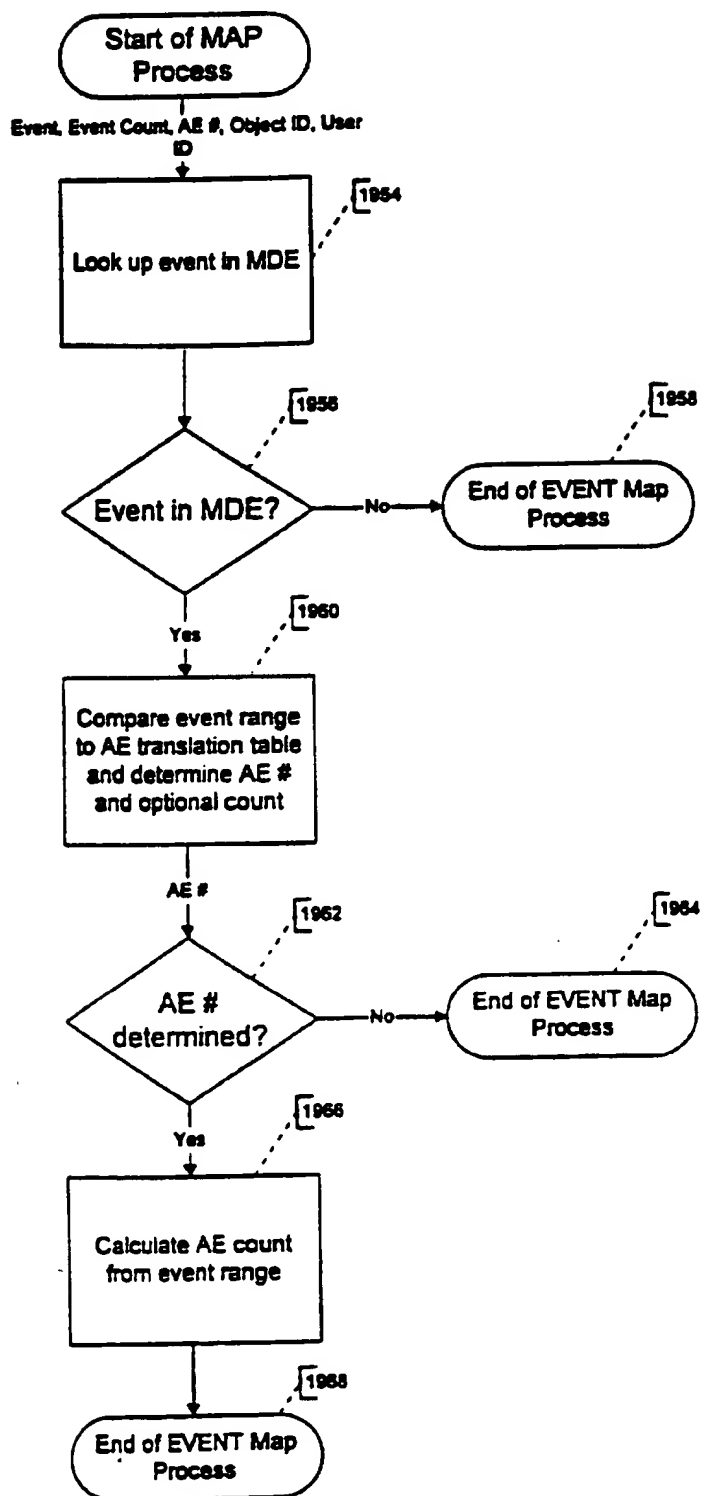
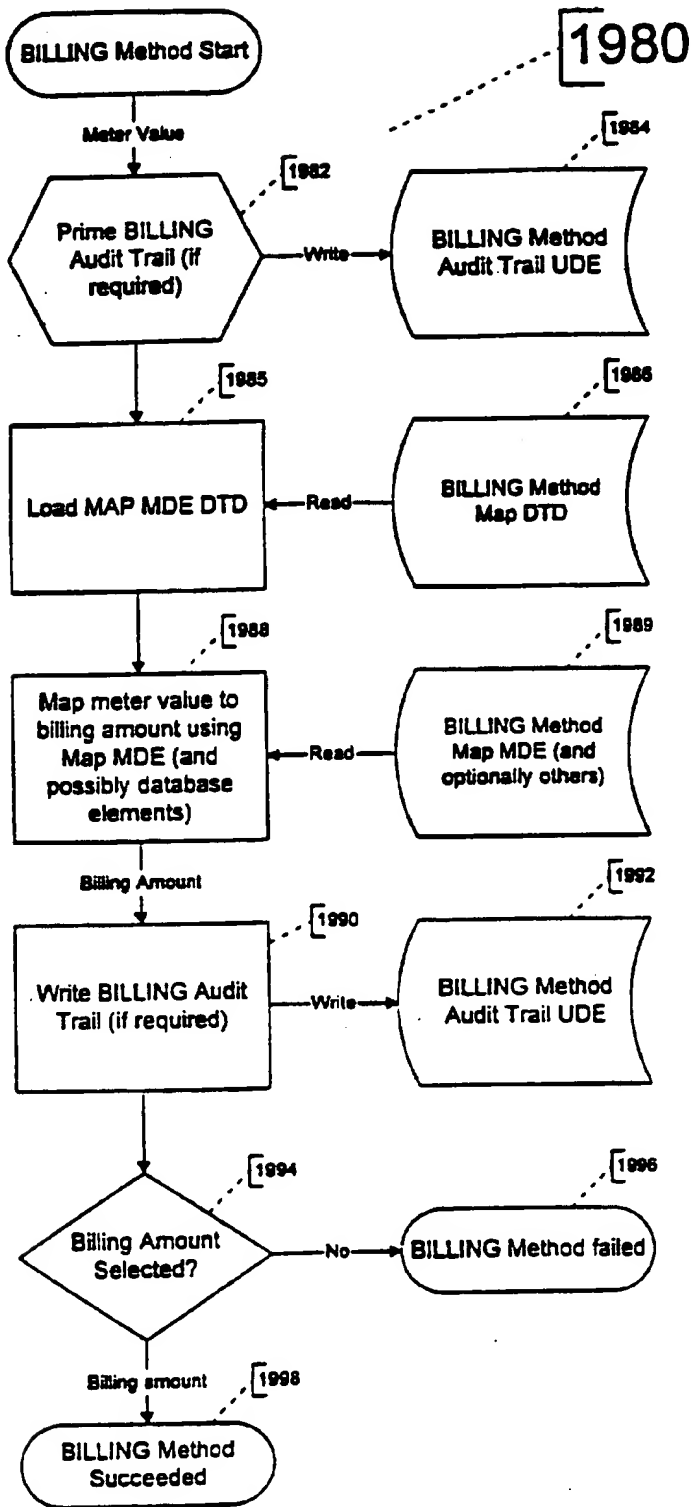
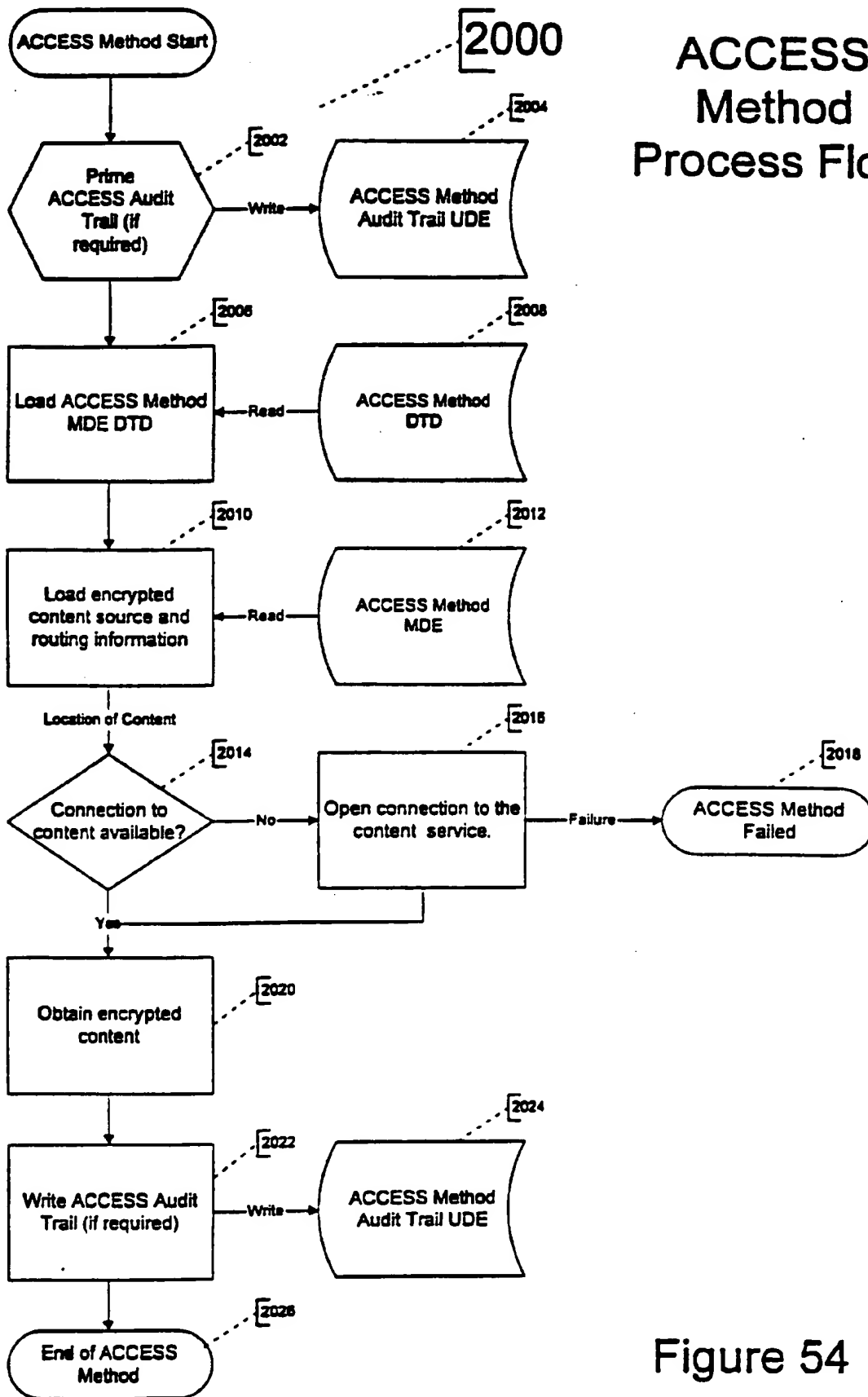


Figure 53b

# BILLING Method Process Flows





# DECRYPT Method Process Flow

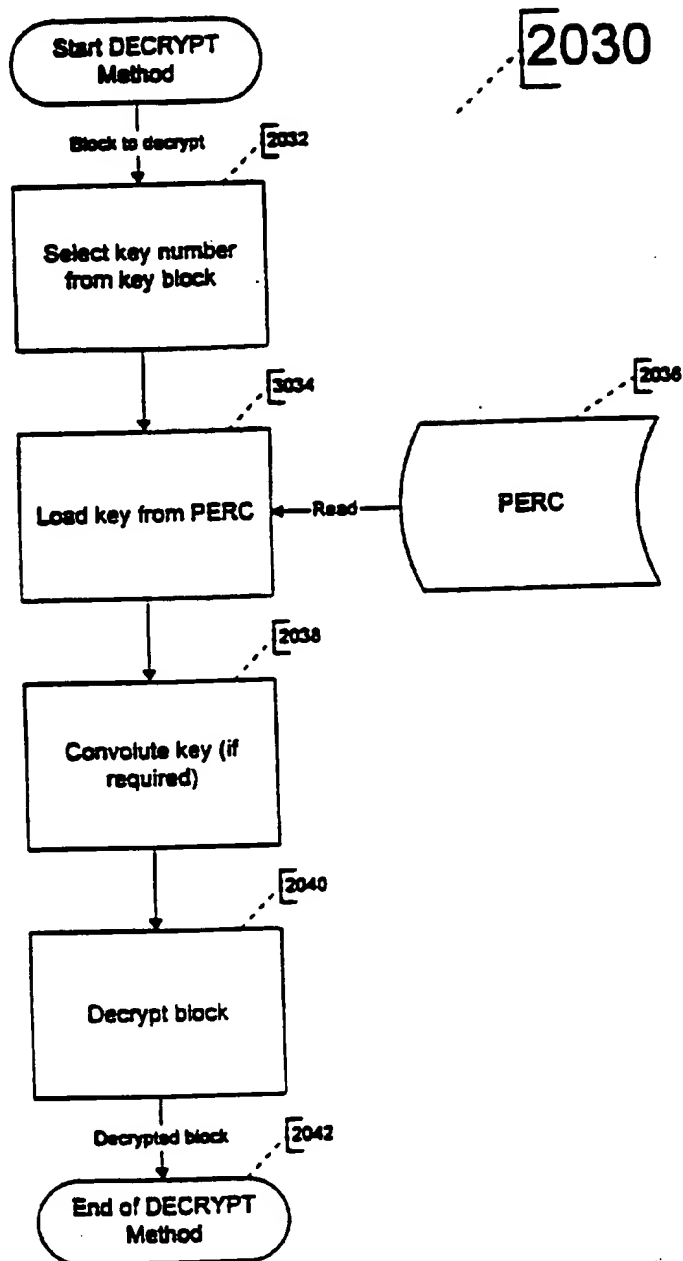
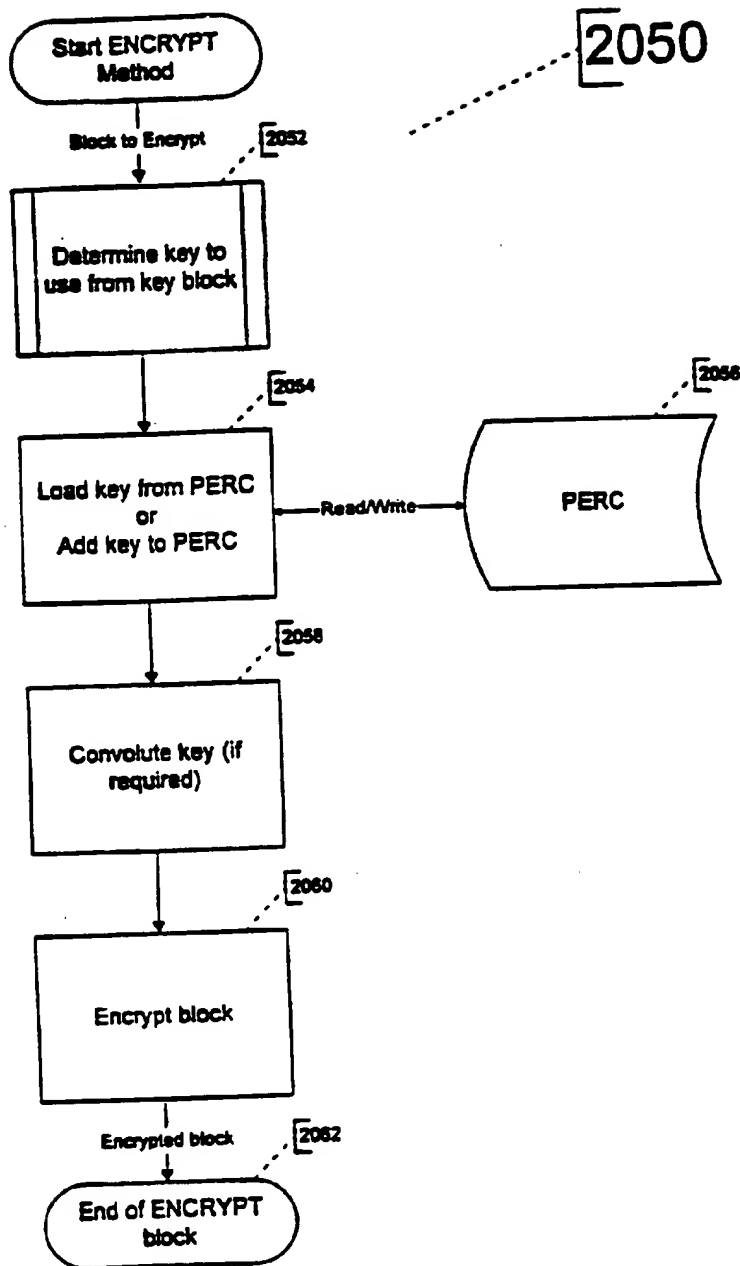
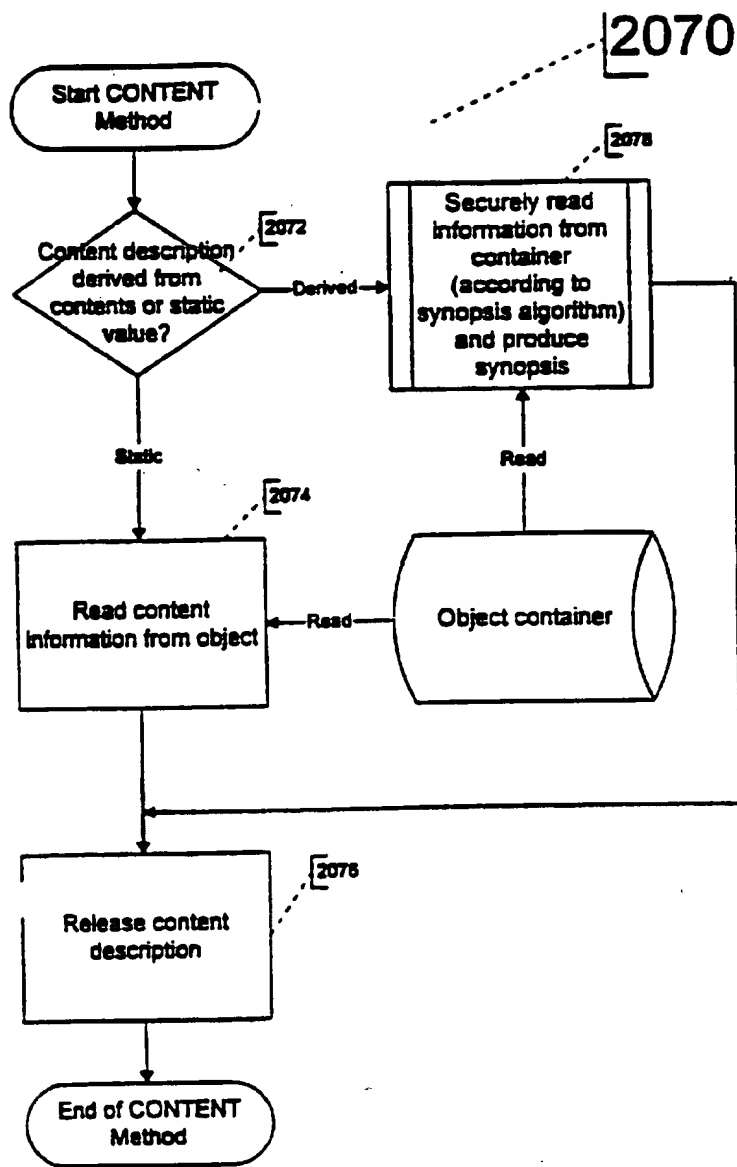


Figure 55a

# ENCRYPT Method Process Flow





## CONTENT Method Process Flow

Figure 56

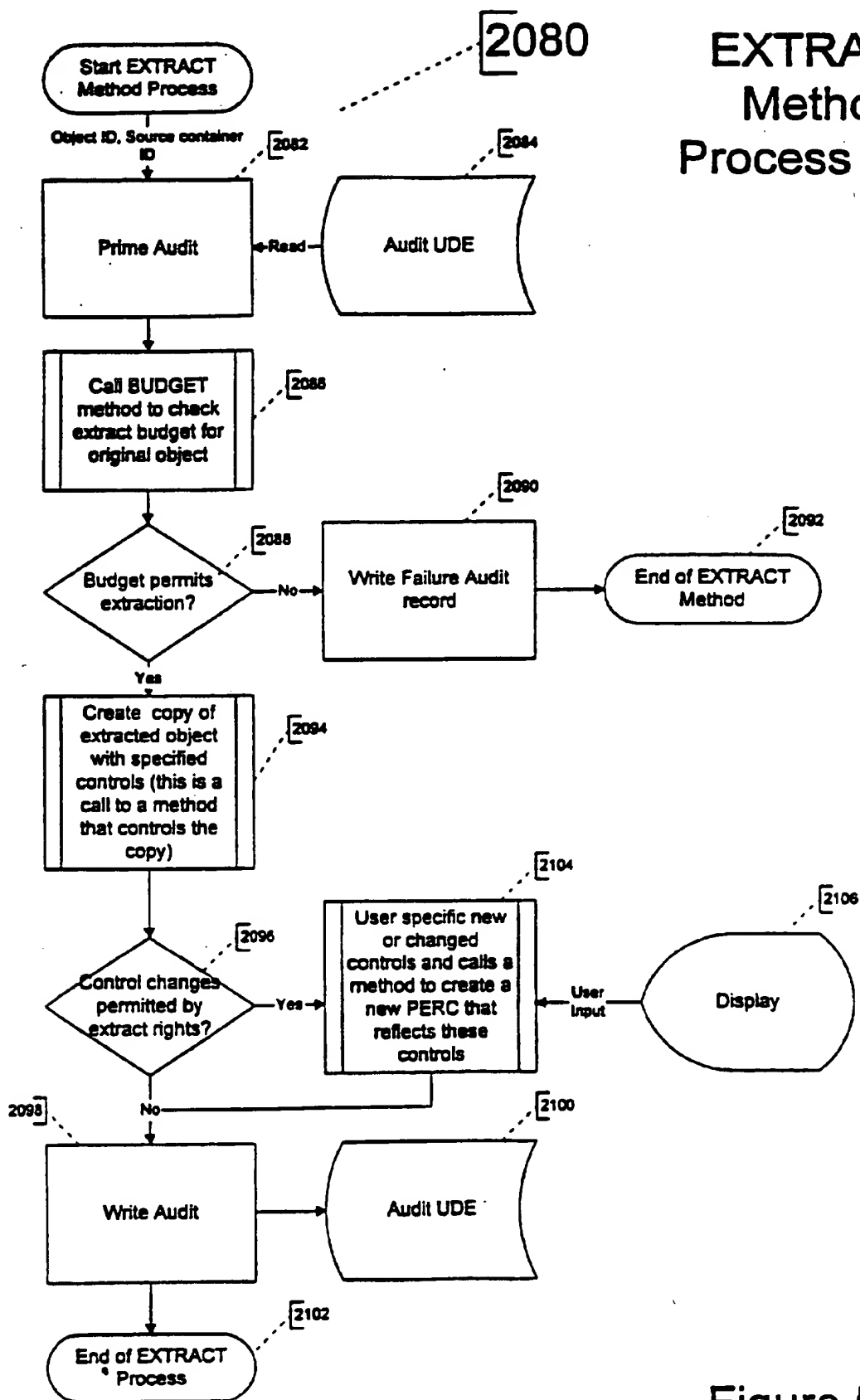


Figure 57a



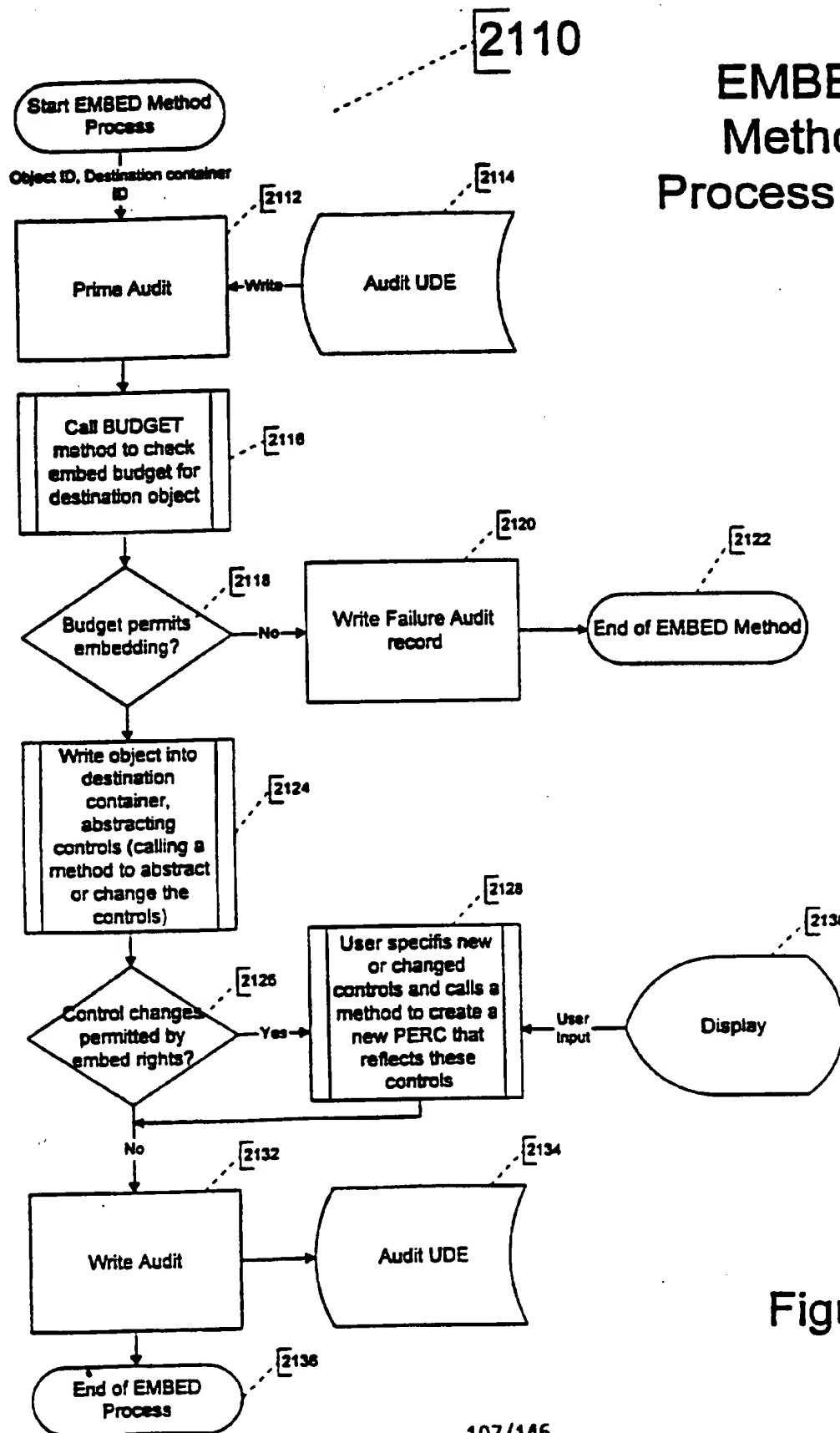


Figure 57b

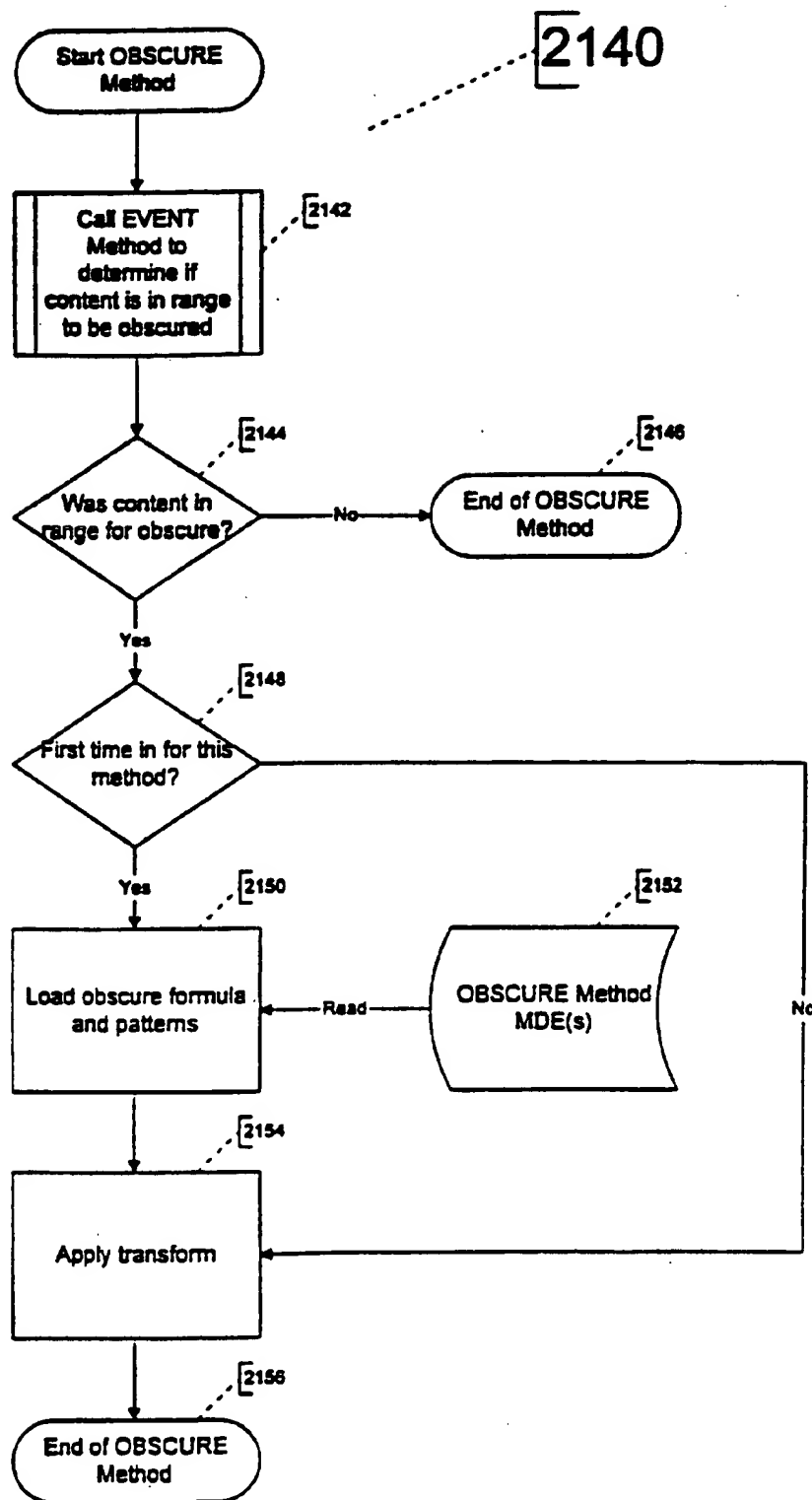


Figure 58a

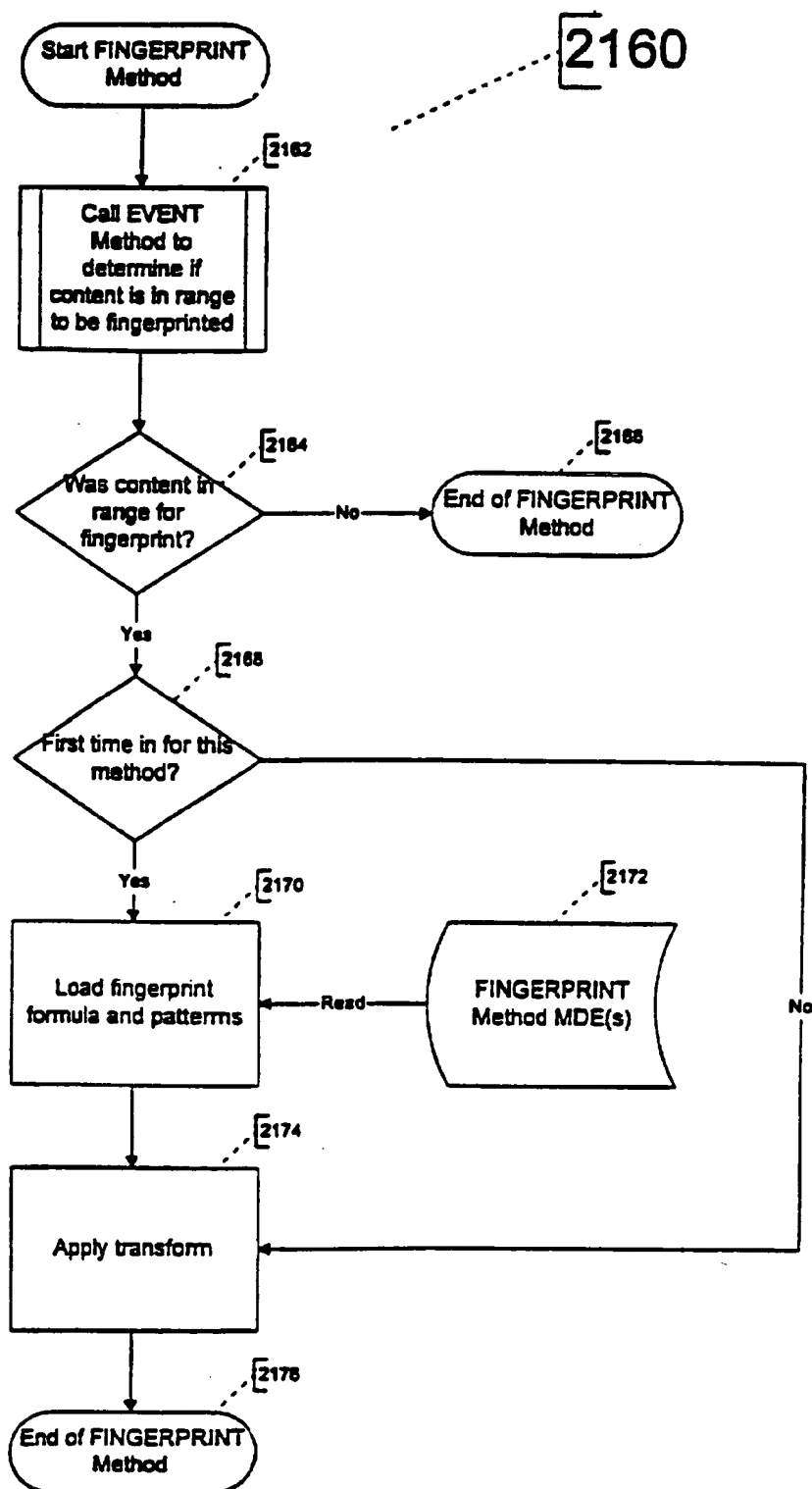


Figure 58b

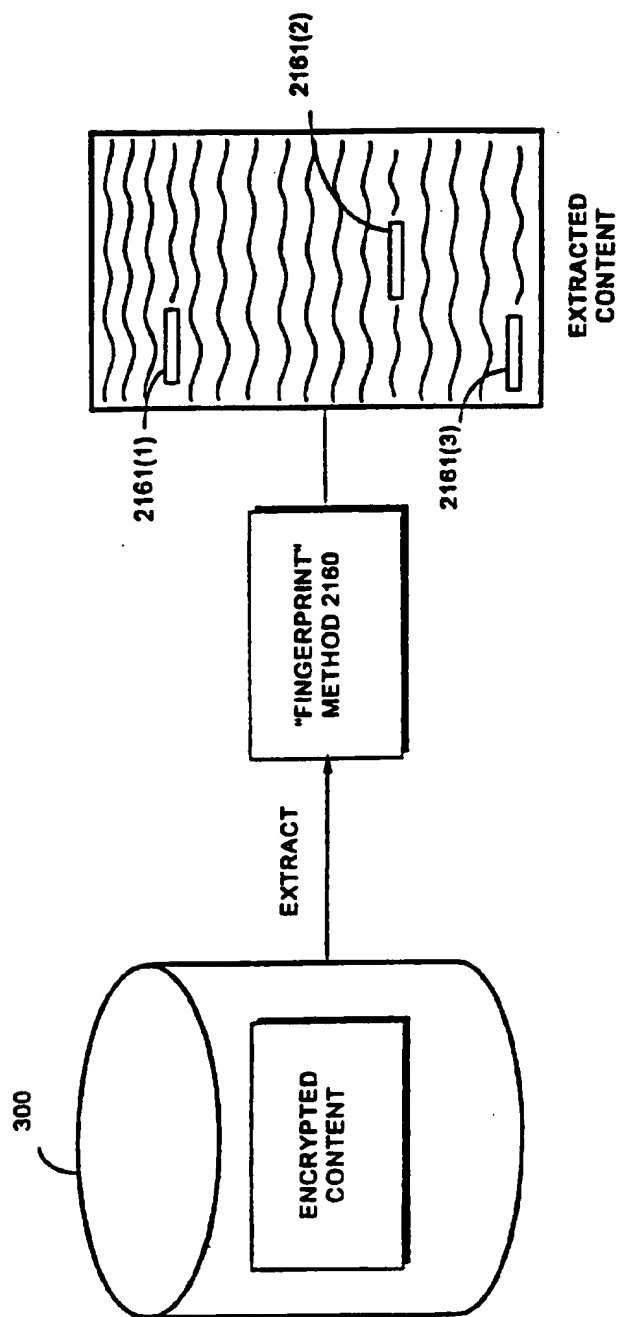


FIG. 58C

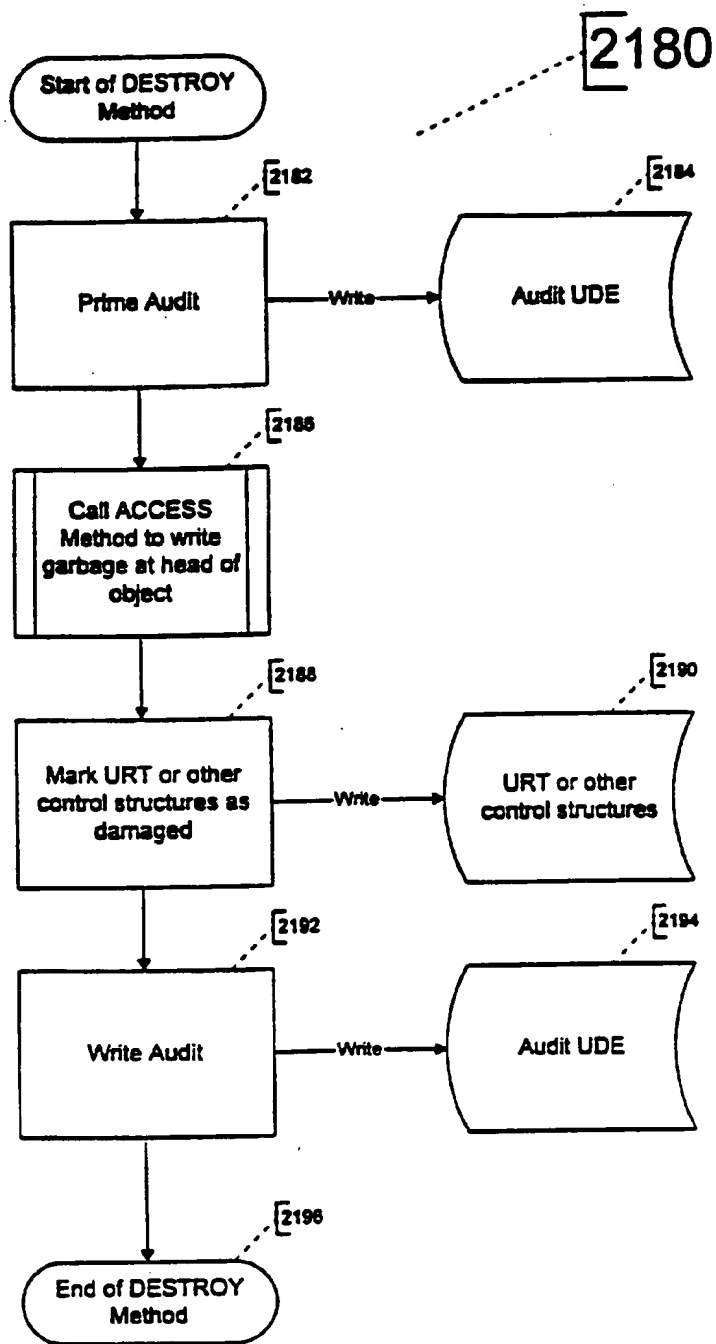
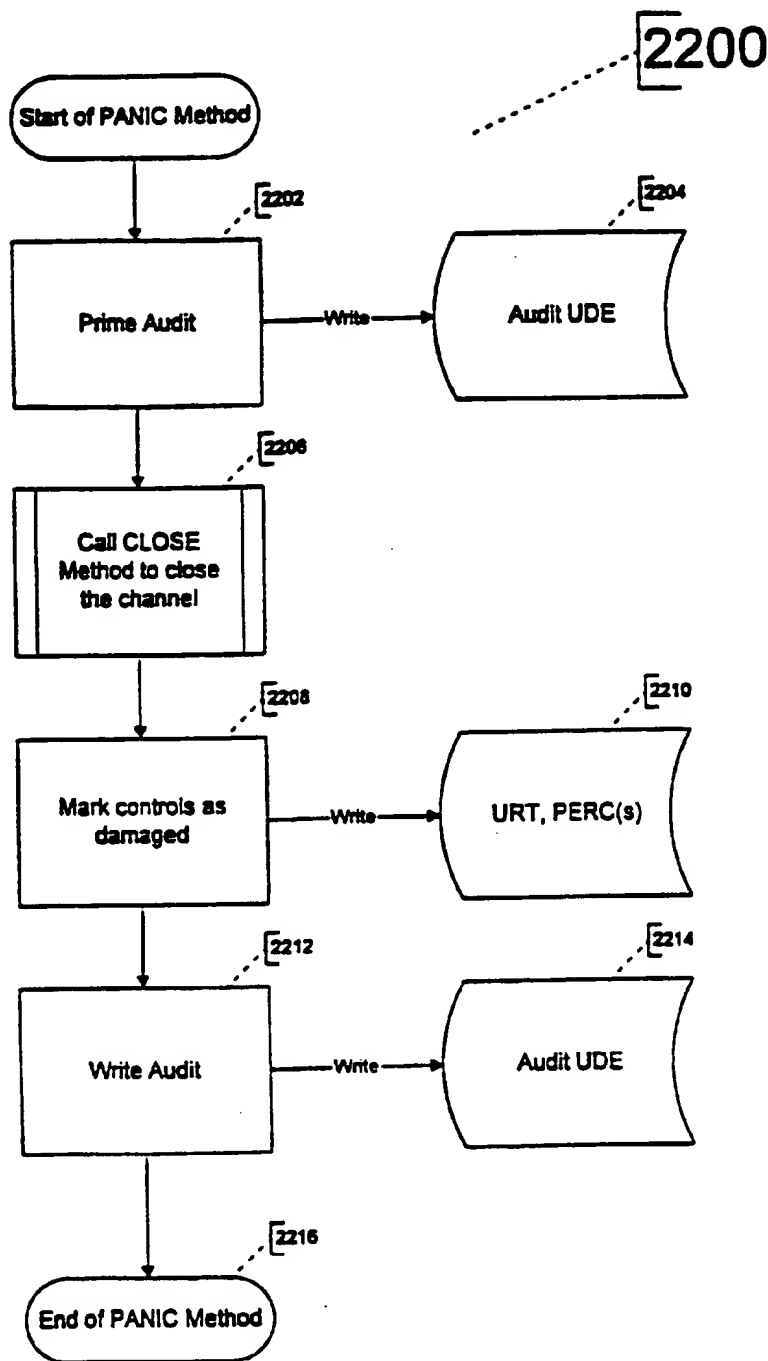


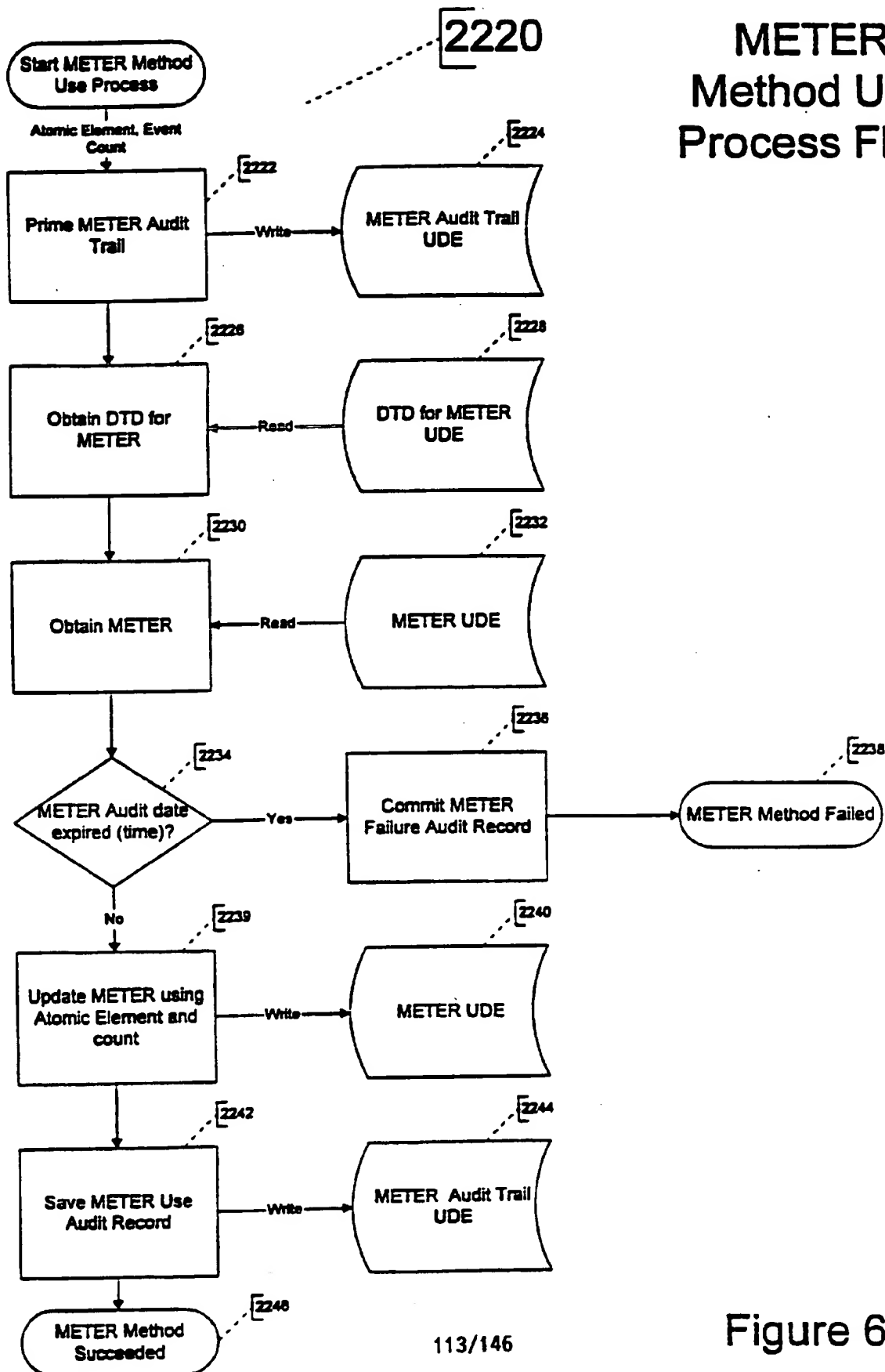
Figure 59



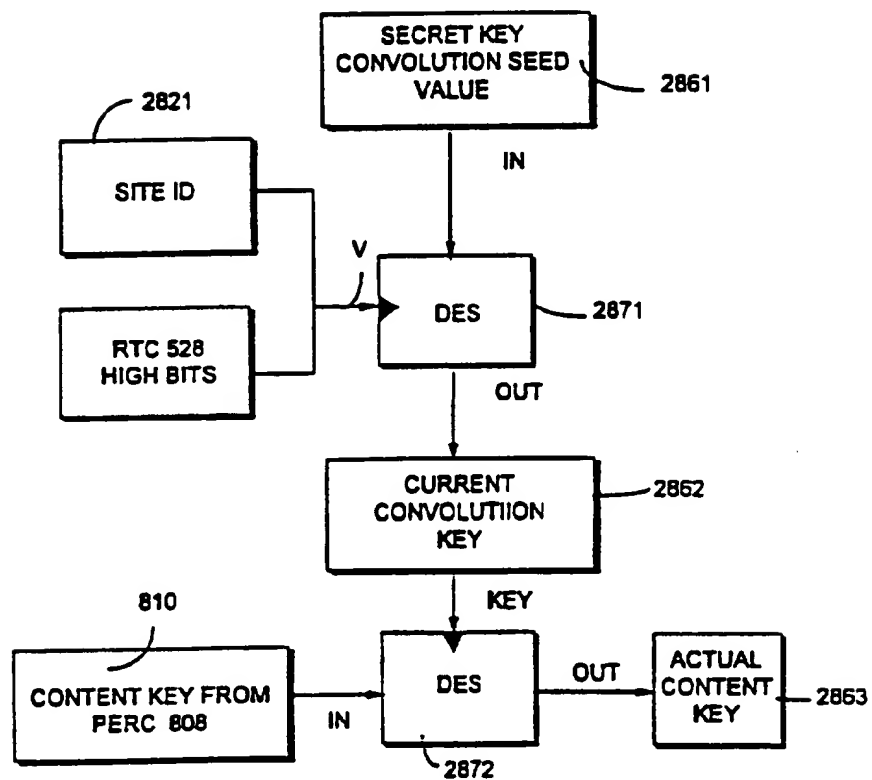
## PANIC Method Process Flow

Figure 60

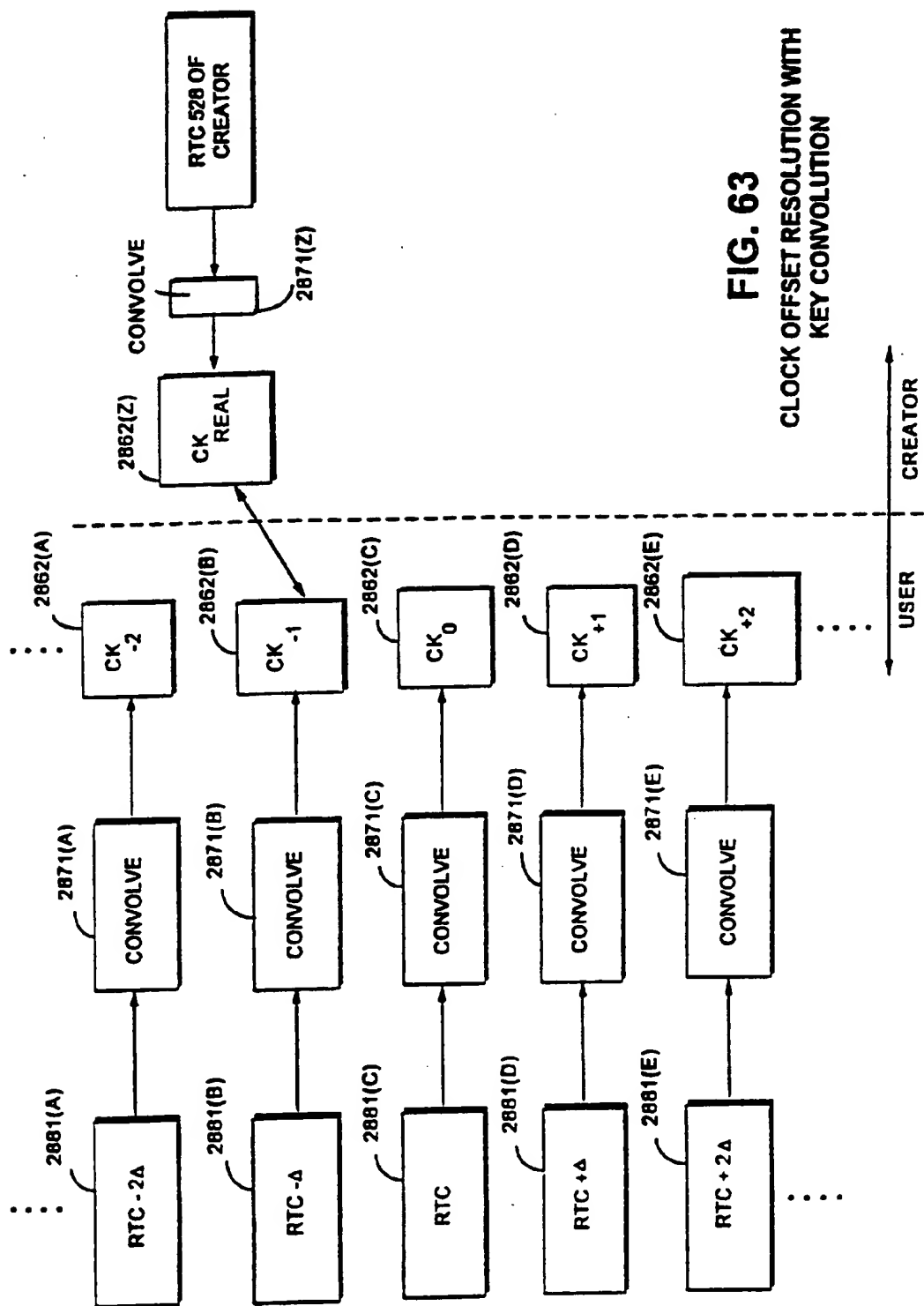
# METER Method Use Process Flow



**FIG. 62**  
**KEY CONVOLUTION PROCESS**

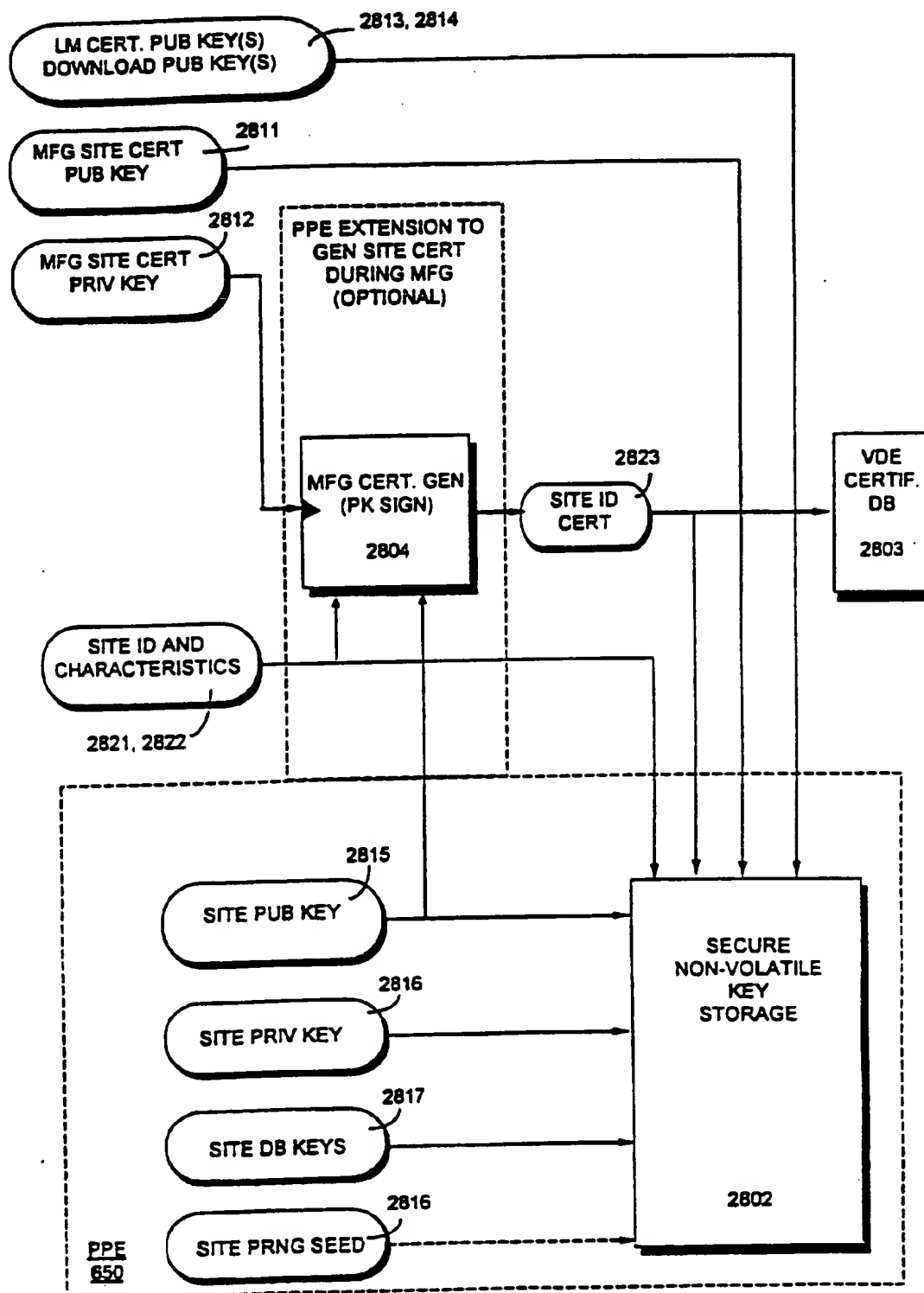


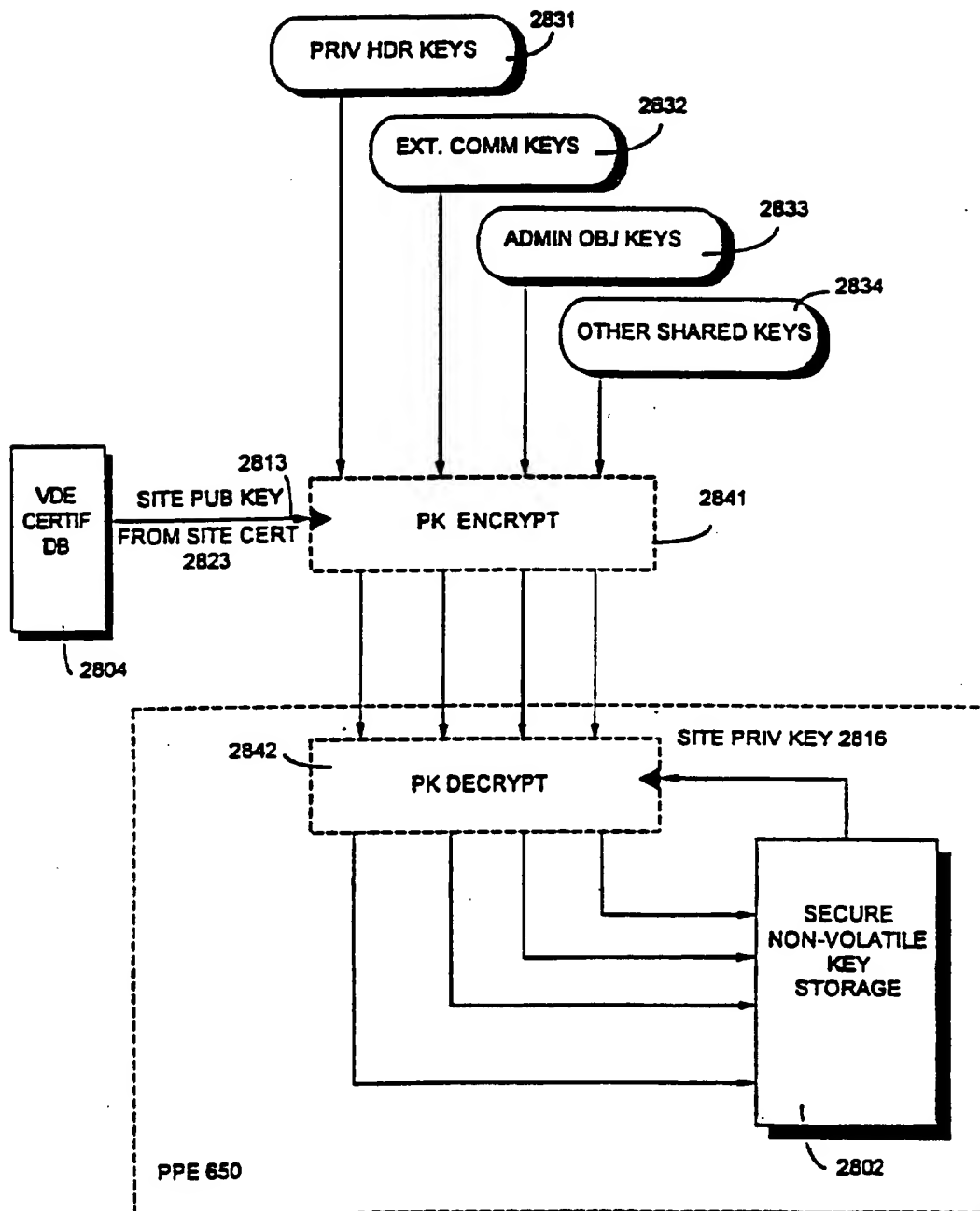


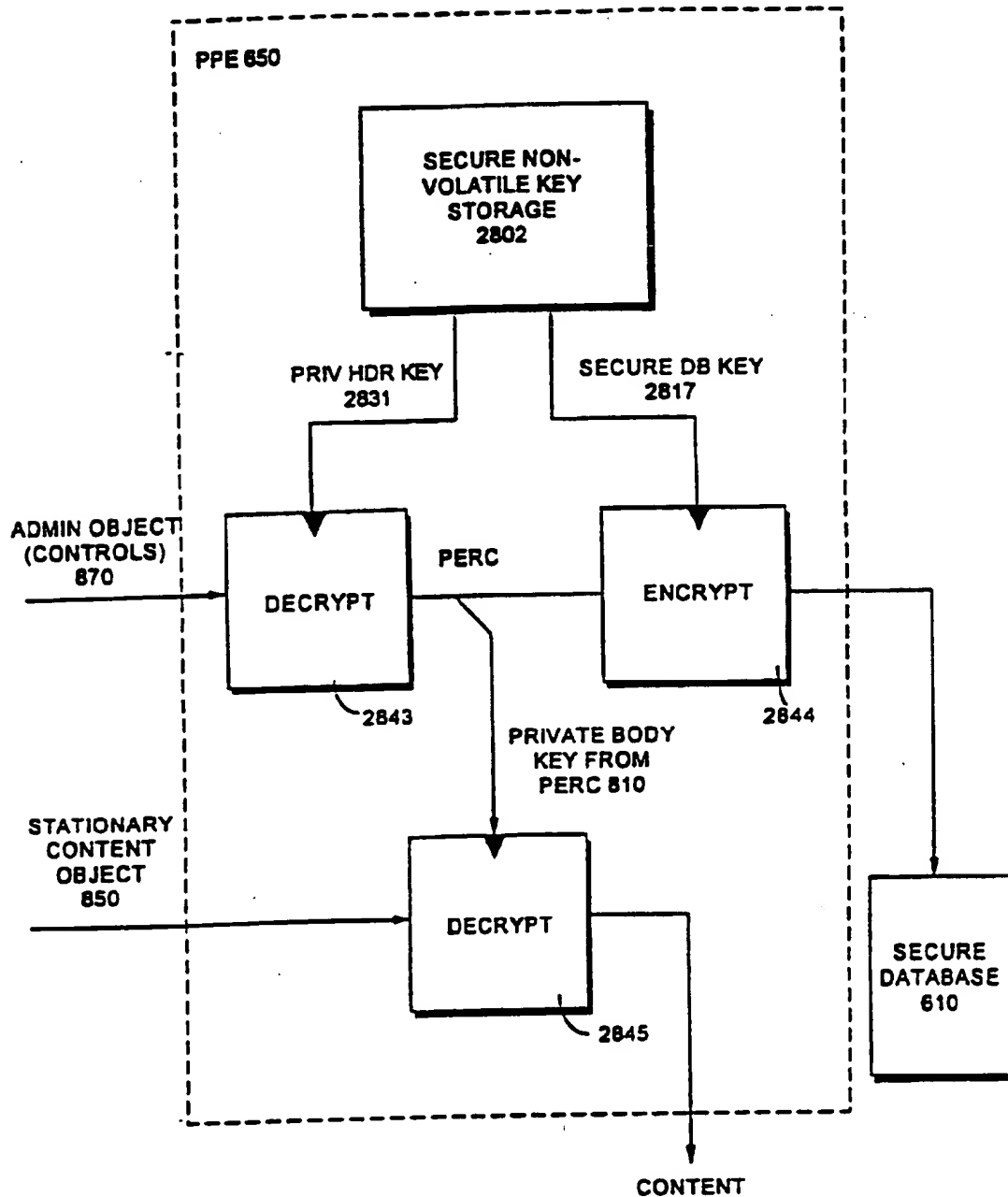


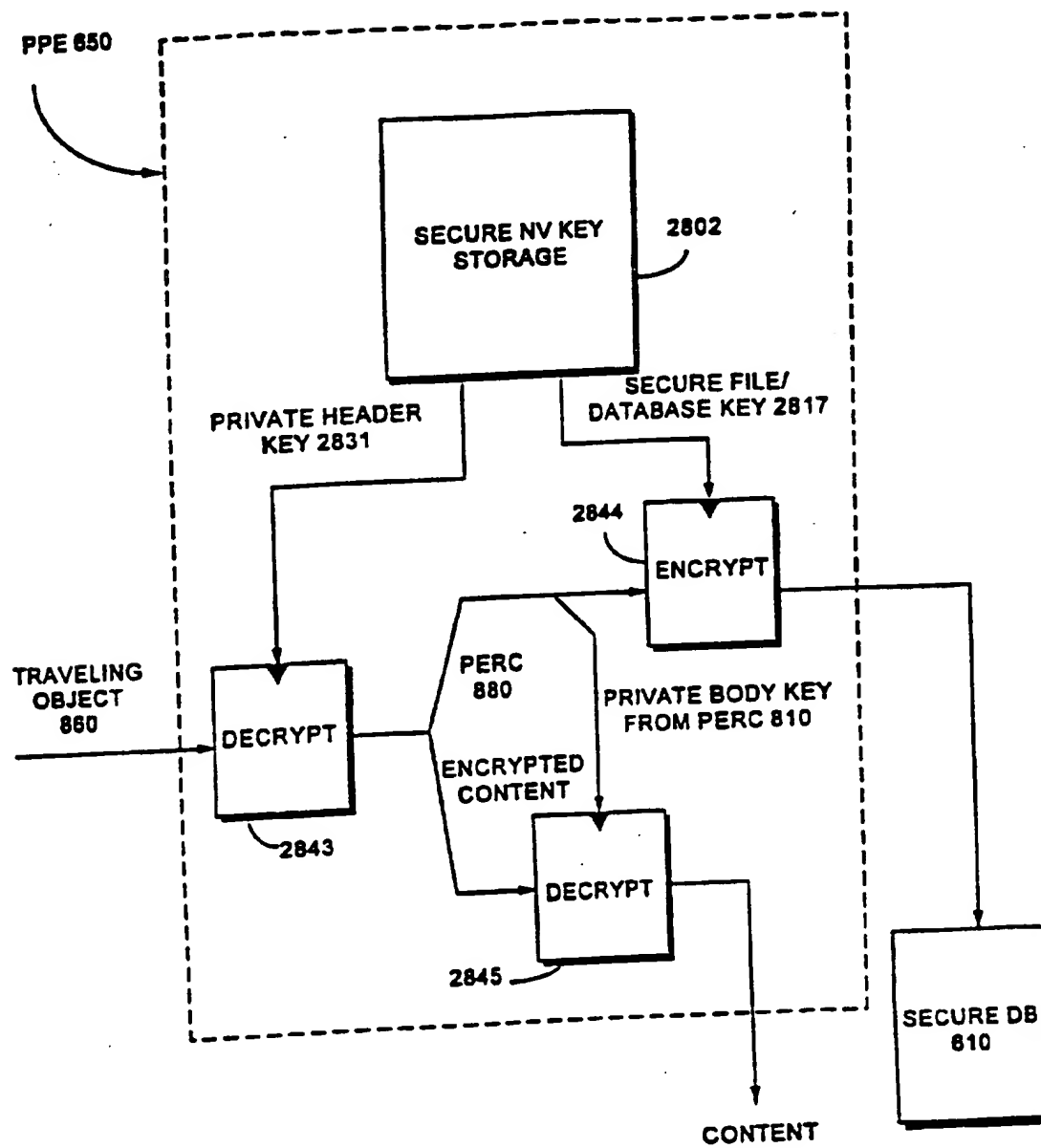
**FIG. 63**  
CLOCK OFFSET RESOLUTION WITH  
KEY CONVOLUTION

**FIG. 64** SPU KEY INITIALIZATION/INSTALLATION

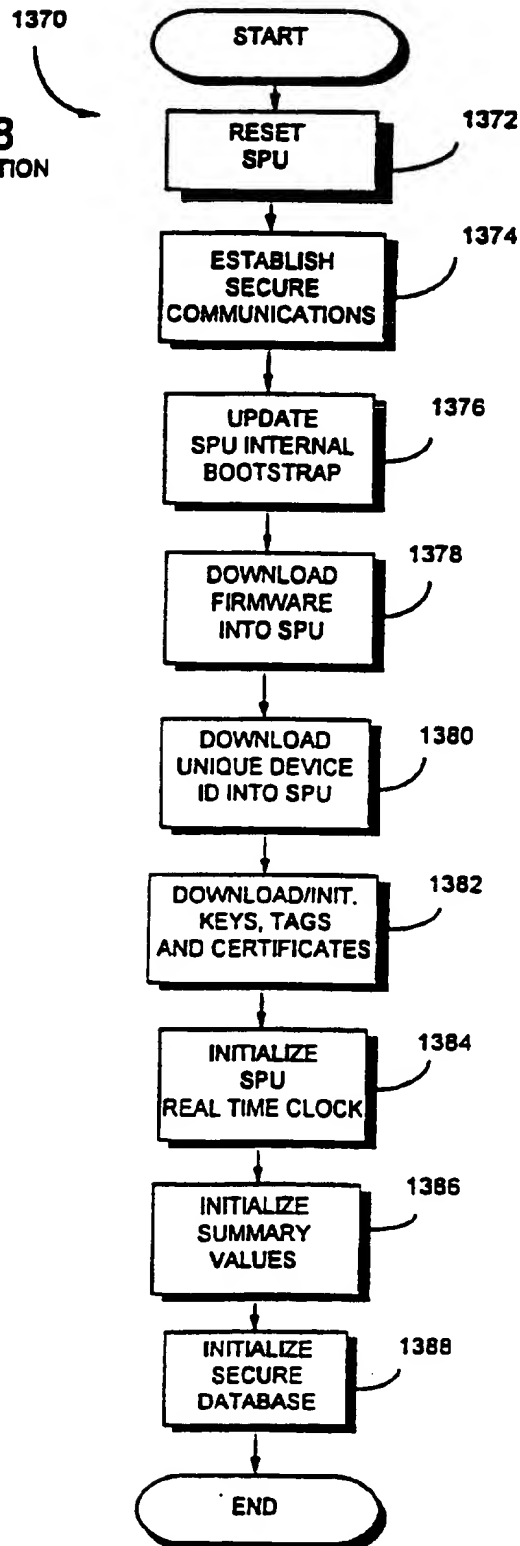


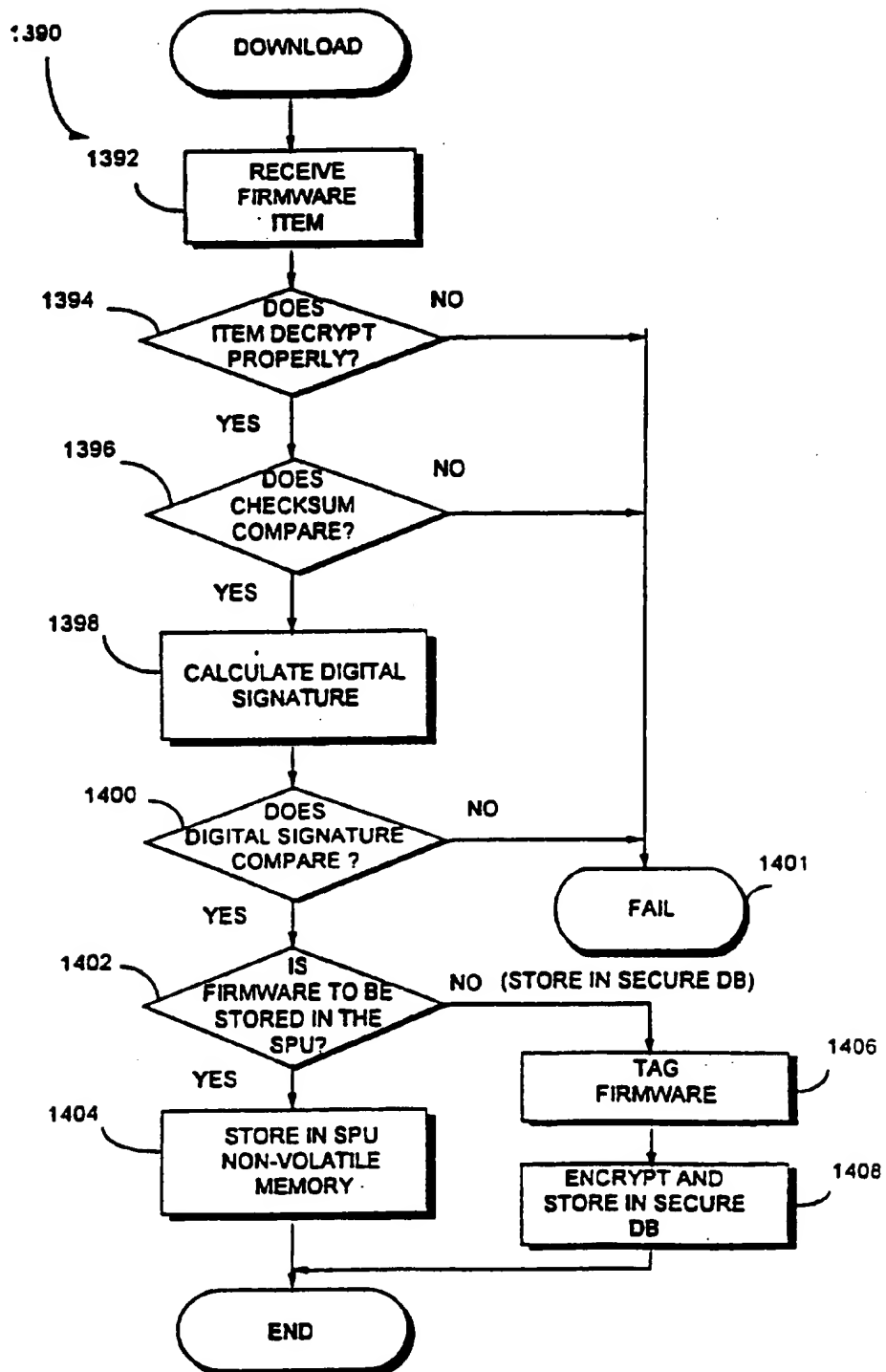
**FIG. 65** KEY INSTALLATION & UPDATE

**FIG. 66** STATIONARY OBJECT DECRYPTION

**FIG. 67** TRAVELING OBJECT DECRYPTION

**FIG. 68**  
SPU INITIALIZATION



**FIG. 69**SPU FIRMWARE  
DOWNLOAD

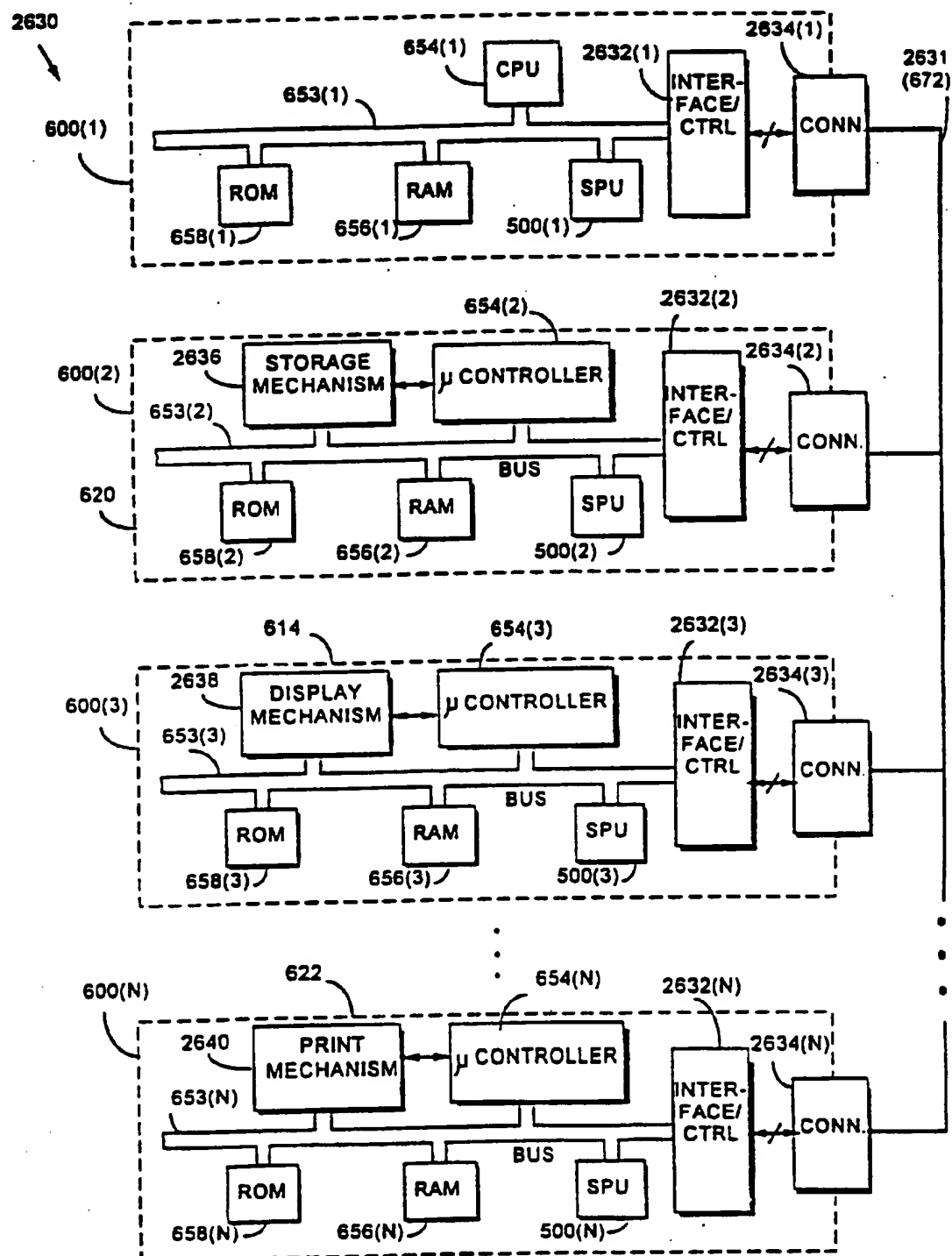
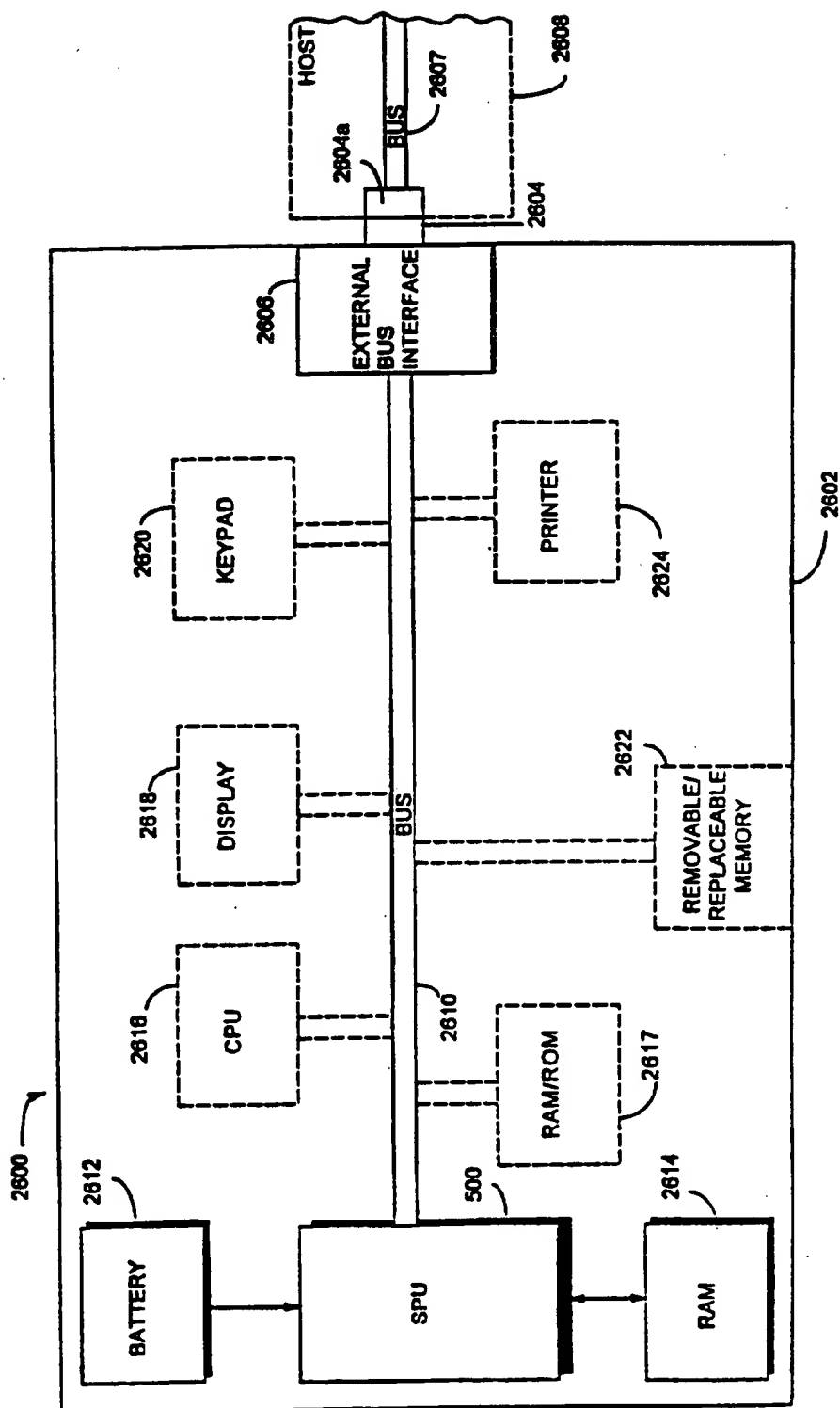


FIG. 70



**FIG. 71**  
PORTABLE APPLIANCE



LOG IN USER INTERFACE

182

USER NAME: SHEAR, V.

PASSWORD: ★ ★ ★ ★ ★

☐ LOGIN AT STARTUP

LOGIN

CANCEL


HELP

FIG. 72A

FIG. 72B

2660

YOU HAVE REQUESTED THESE PROPERTIES:

 LOONEY TUNES NEWS!

2662

PROPERTY INFO

Your Cost: \$7.50

APPROVE

SUSPEND

CANCEL

MORE OPTIONS

2664

FIG. 72C

**SET LIMITS:**

SESSION DOLLAR LIMIT: \$  2666

TRANSACTION DOLLAR LIMIT: \$  2668

TIME LIMIT (IN MINUTES):  2670

UNIT LIMIT:  2672

2674

OK

CANCEL

HELP!

2672

FIG. 72D

**YOU HAVE REQUESTED THESE PROPERTIES:**

**LOONEY TUNE NEWS!**

**YOUR COST : \$7.50**

CANCEL

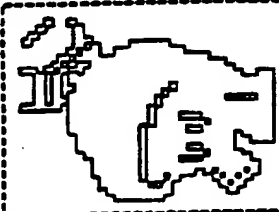
APPROVE

SUSPEND

PROPERTY INFO

More Options ☒

Show Thumbnail



PROPERTY:	SIZE:	PUBLISHER:	AMOUNT:	UNITS:	COST/UNIT:	TYPE:	USE?:	LINKS:	HIST:
CHUCK JONES BIOGRA...	256KB	WARNER NEW MEDIA	64	KBYTE	\$1.25	PREVIEW	✓	●	
▼ BUGS BUNNY.JPE...	1MB	WARNER NEW MEDIA	1	RECORD	\$5.00	DISPLAY	✓	●	
BUGS BUNNY.JPEG...	1MB	WARNER NEW MEDIA	10	RECORD	\$3.50	DISPLAY		●	
BUGS BUNNY.JPEG...	1MB	WARNER NEW MEDIA	25	RECORD	\$2.50	DISPLAY		●	
FRIZ FRELENG BIOGRA...	256KB	WARNER NEW MEDIA	120	SECTOR	\$5.00	PRINT		●	
TEX AVERY BIOGRAP...	256KB	WARNER NEW MEDIA	50	PERCENT	\$2.50	COPY		●	
► DUCKI RABBITI DU...	64MB	WARNER NEW MEDIA	7.0	MINUTE	\$7.50	COPY-PRO		●	
MEL BLANC BIOGRAPH...	256KB	WARNER NEW MEDIA	1	SPECIAL	\$25.25	INSTALL		●	
LOONEY TUNES DATAB...	600MB	WARNER NEW MEDIA	1	OBJECT	\$2000.00	ALL		●	

SET LIMITS...

SHOW BUDGETS

ACQUIRE BUDGET...

HISTORY...

TRANSFER...

PREFERENCES...

FEEDBACK...

HELP!

FIG. 73

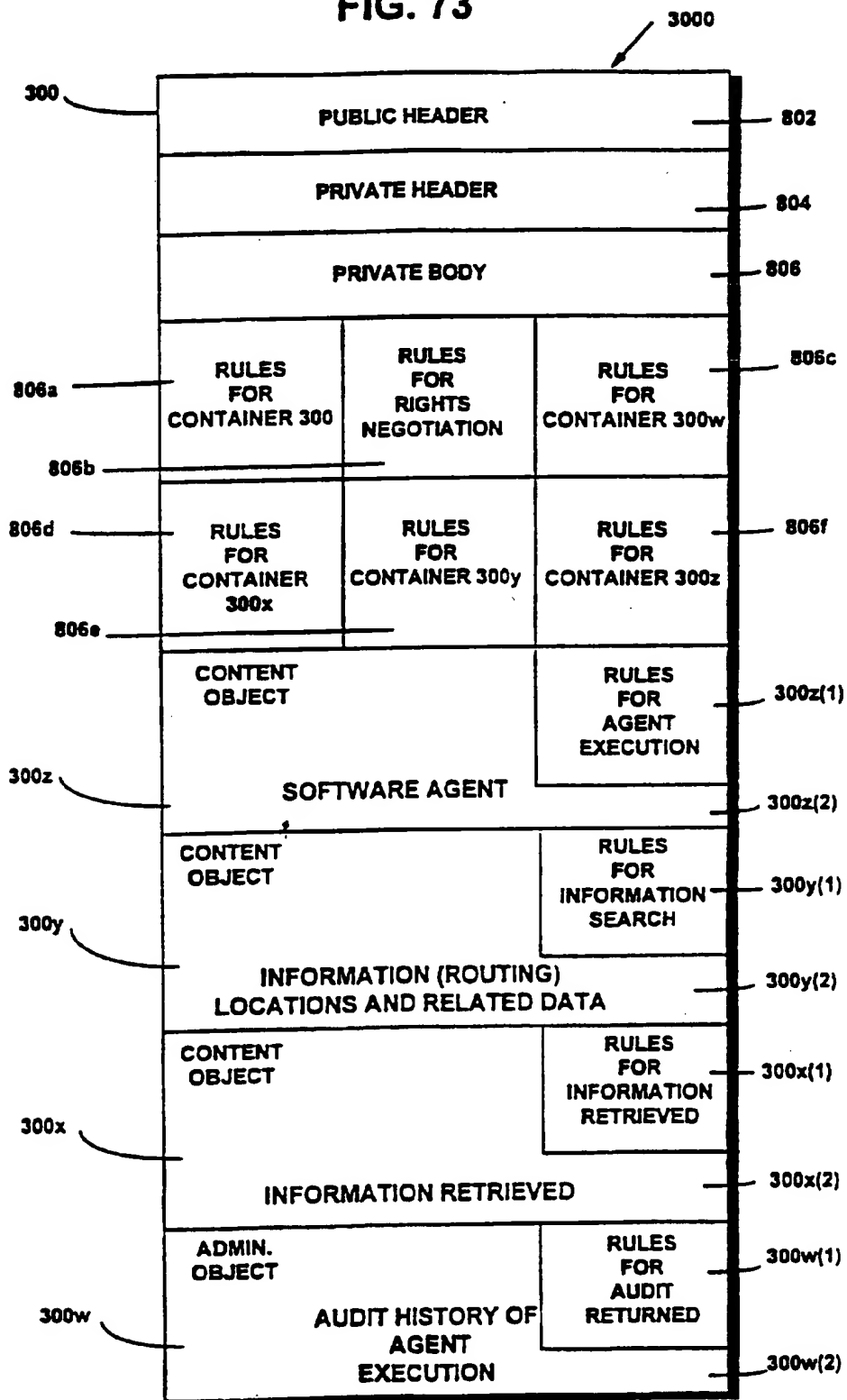


FIG. 74

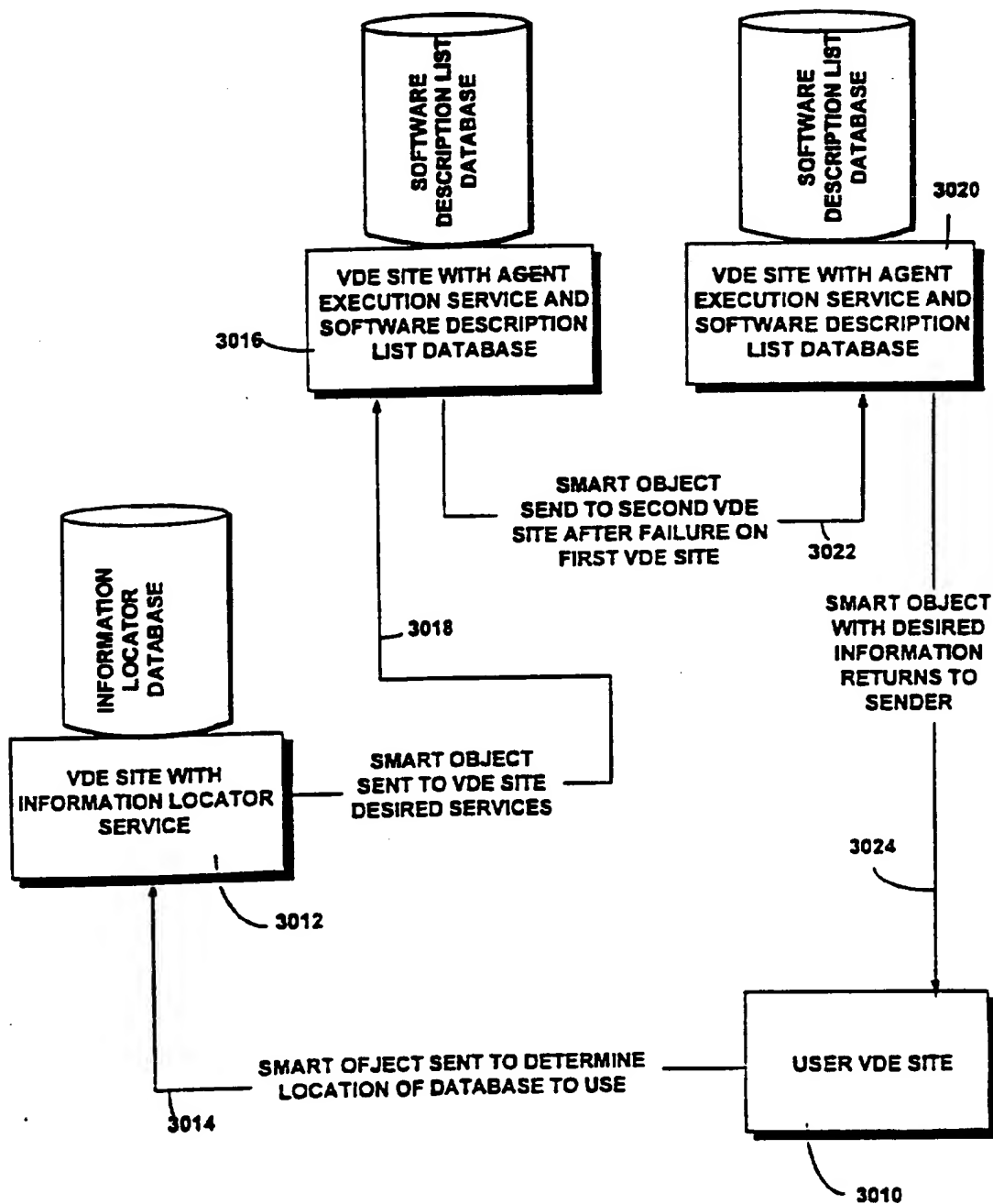


FIG. 75A

PERC HEADER		3104 CSO	3100 PRIVATE BODY KEYS
USE RIGHT HDR		CSR	KEYS
PERMITTED CONTROL SET (USE W/O INFO. PASSBACK)		CONTROL METHOD (VENDING)	
REQUIRED METHOD, BUDGET			
3108 METHOD OPTION: VISA	METHOD OPTION: MASTERCARD	METHOD OPTION: AMEX	
3110 REQUIRED METHOD, BILLING (\$100 FIXED, ONE TIME)			
DESIRED CONTROL SET (USE WITH INFO. PASSBACK)		CONTROL METHOD (VENDING WITH "RESPONSE CARD")	
REQUIRED METHOD, BUDGET			
3112 METHOD OPTION: VISA	METHOD OPTION: MASTERCARD	METHOD OPTION: AMEX	
REQUIRED METHOD, AUDIT (COLLECTION PERSONAL INFORMATION)			
3114 REQUIRED FIELDS	DESIRED FIELDS		
3116 REQUIRED METHOD, BILLING (\$25 FIXED, ONE TIME)			

3118  
3102a  
3120  
3102b

FIG. 75B

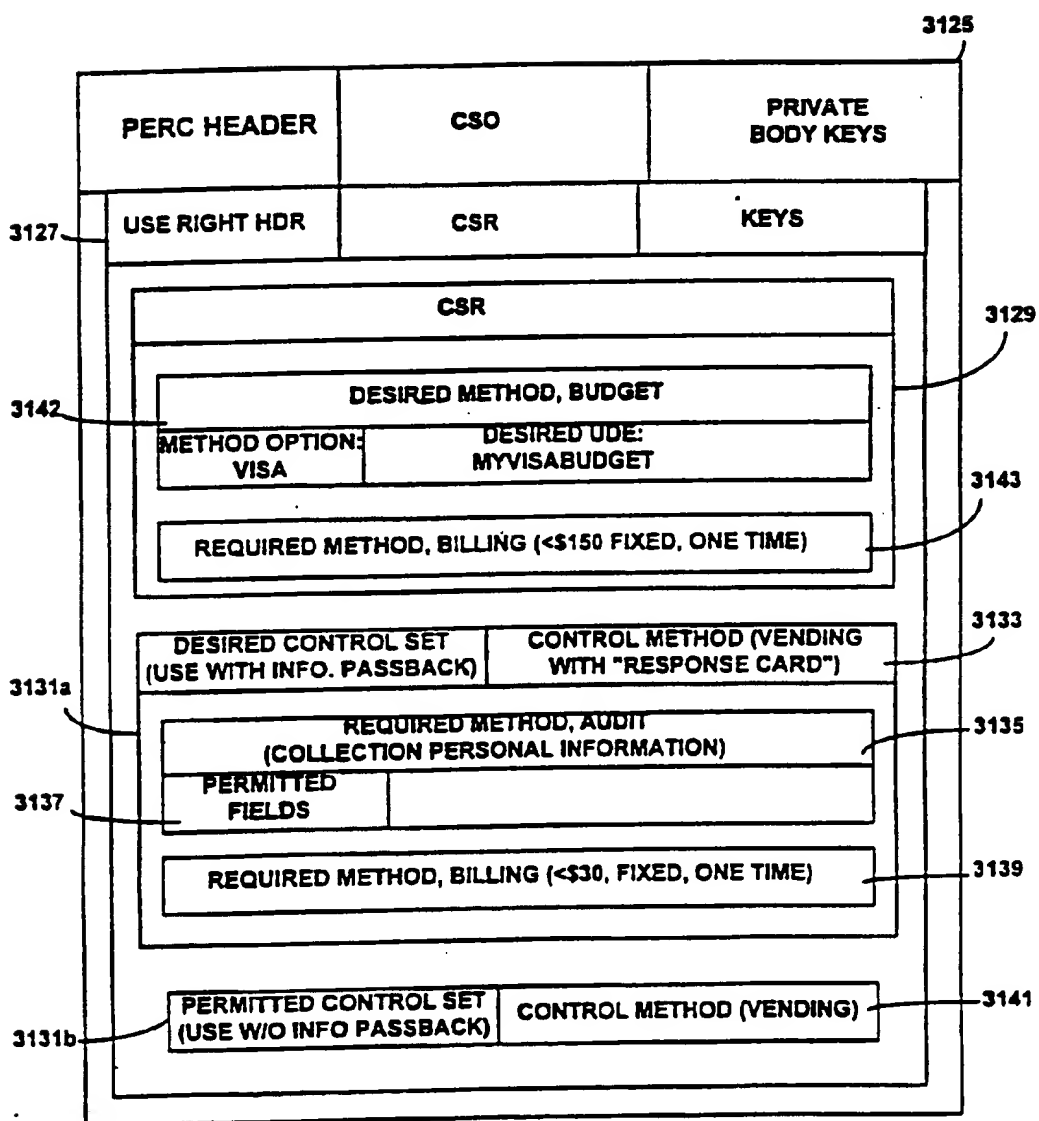




FIG. 75C

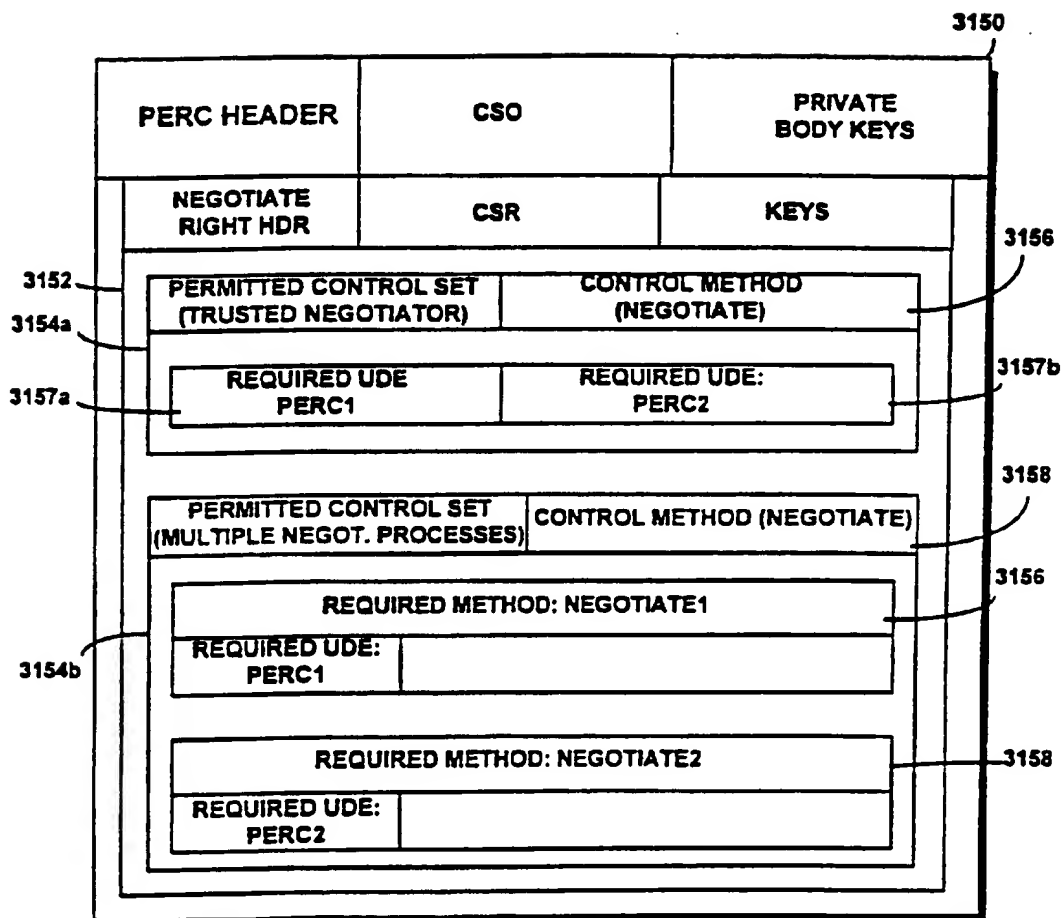


FIG. 75D

<b>URT HEADER</b>		<b>CSO</b>	<b>DIGITAL SIGNATURE</b>
<b>USE RIGHT HDR</b>		<b>CSR</b>	
<b>CONTROL SET(USE WITH INFO. PASSBACK)</b>		<b>CONTROL METHOD(VENDING WITH "RESPONSE CARD")</b>	
<b>REQUIRED METHOD, BUDGET</b>			
<b>METHOD OPTION: VISA</b>		<b>DESIRED UDE: MYVISABUDGET</b>	
<b>REQUIRED METHOD, AUDIT (COLLECTION PERSONAL INFORMATION)</b>			
<b>PERMITTED FIELDS</b>			
<b>REQUIRED METHOD, BILLING(\$25, FIXED, ONE TIME)</b>			

3160

3162

3164

3166

3170

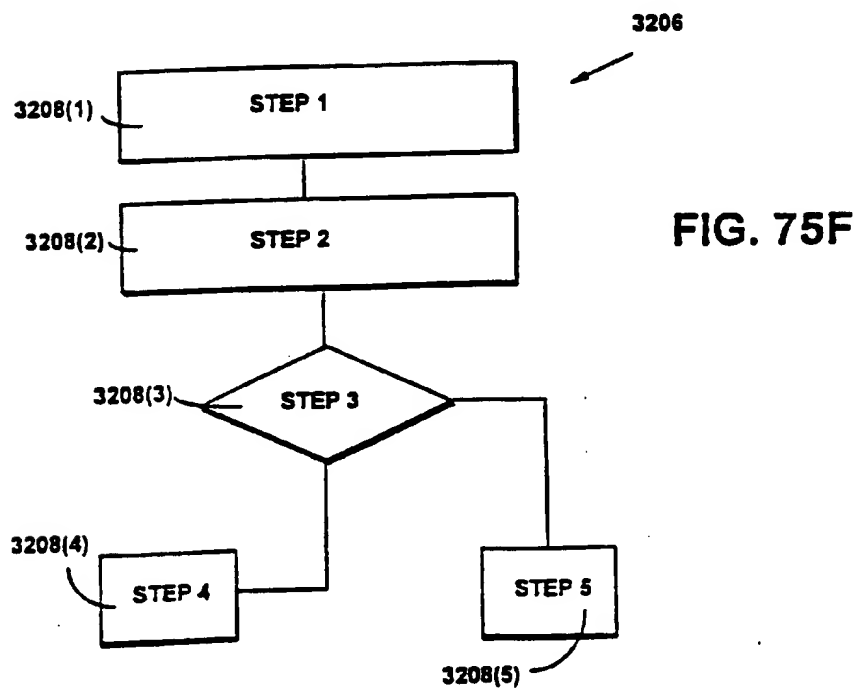
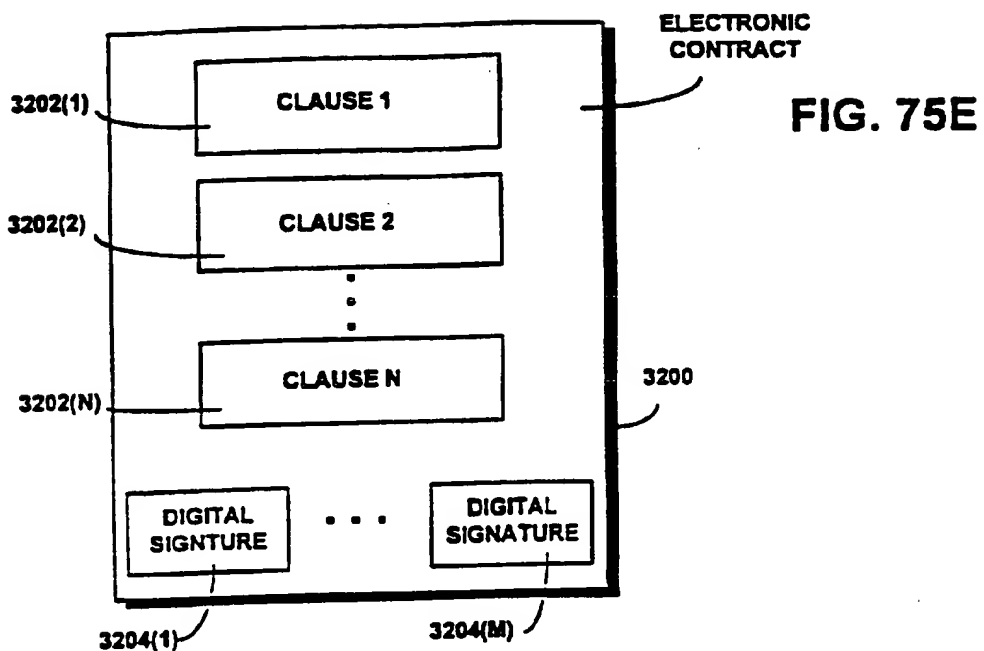


FIG. 76A

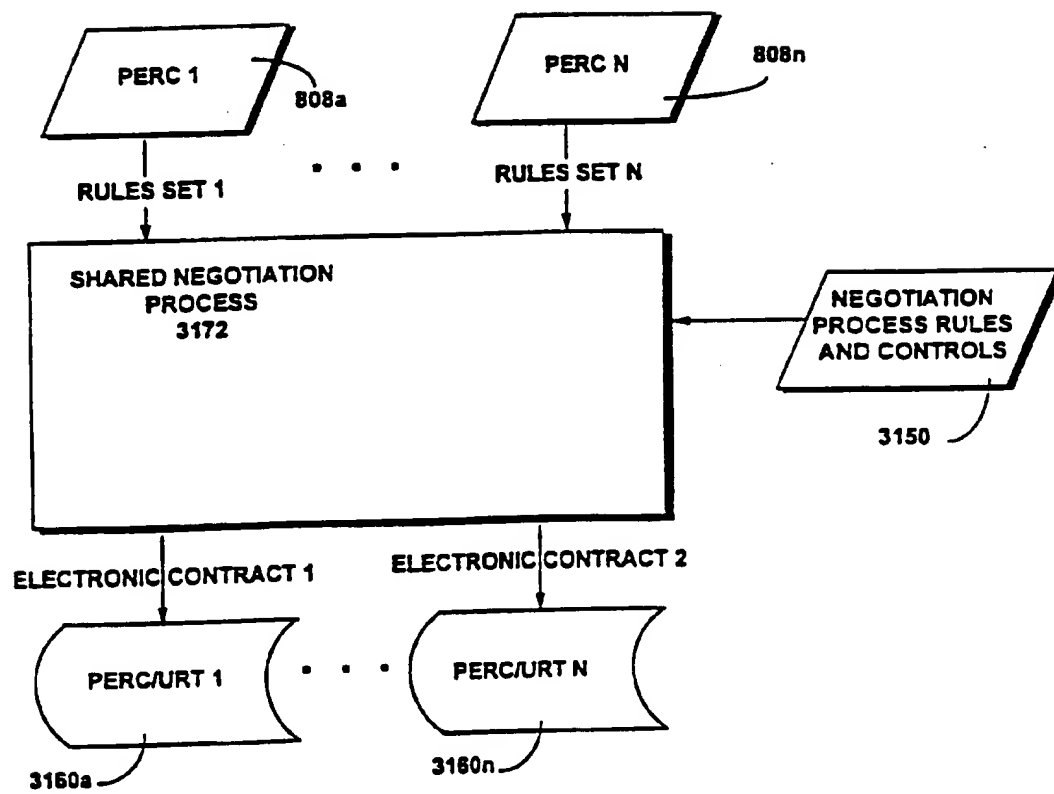


FIG. 76B

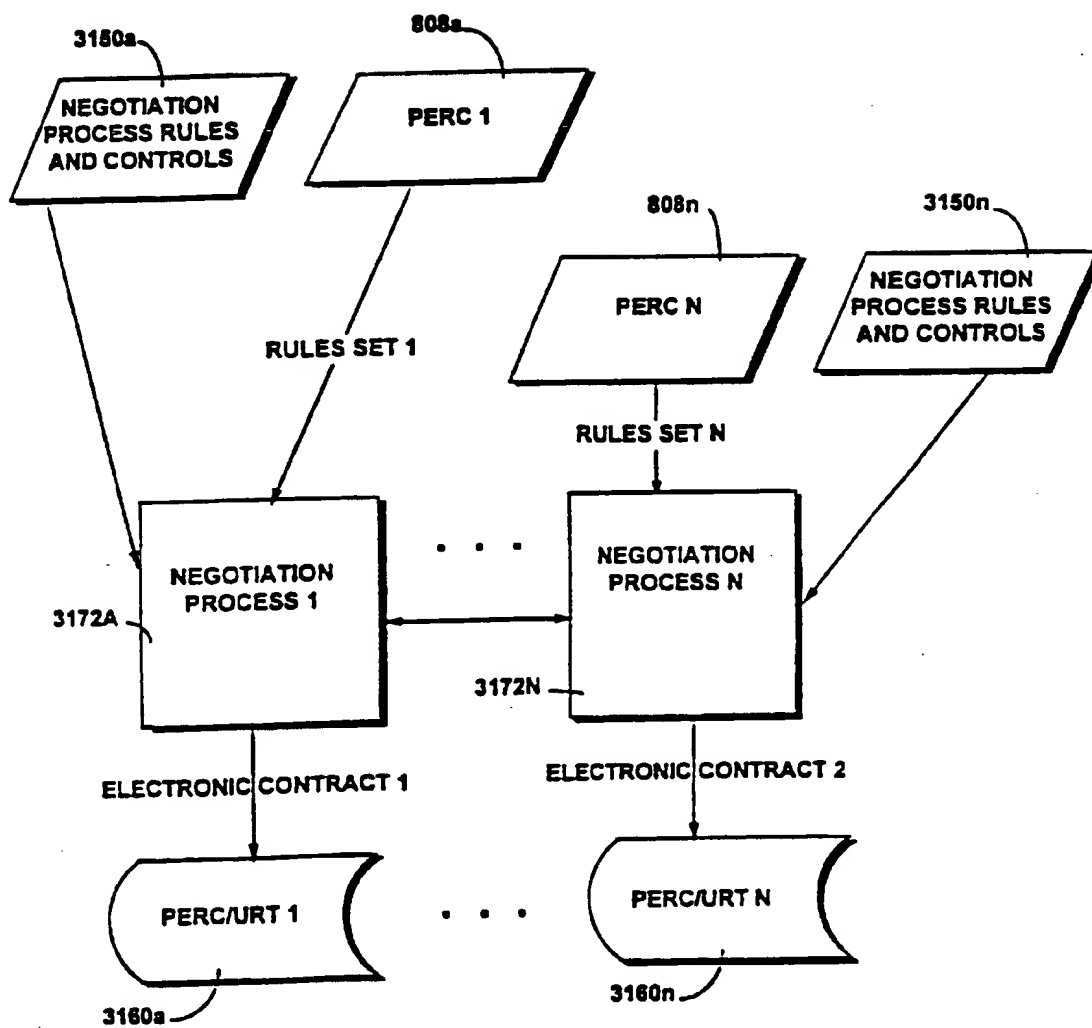
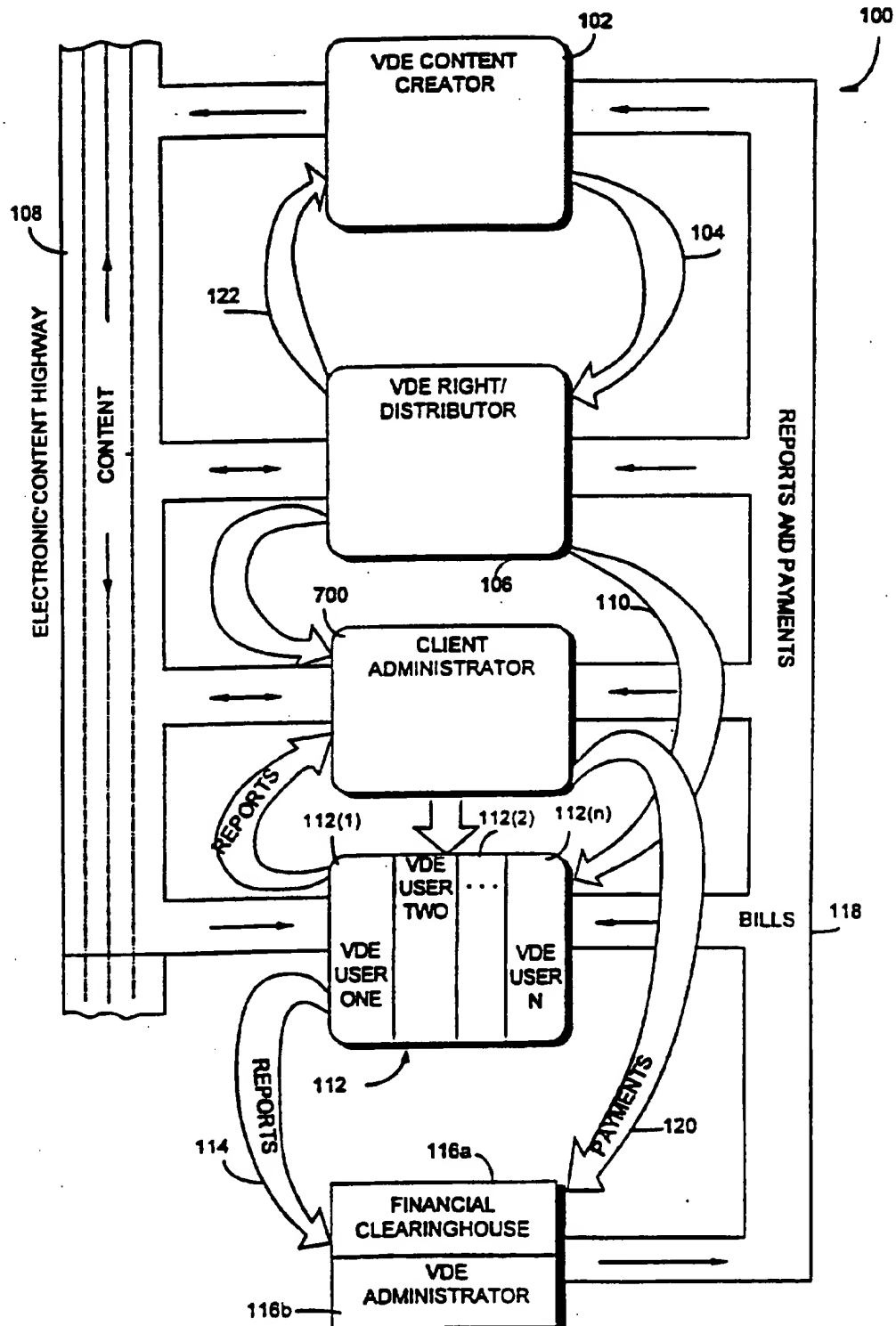


FIG. 77



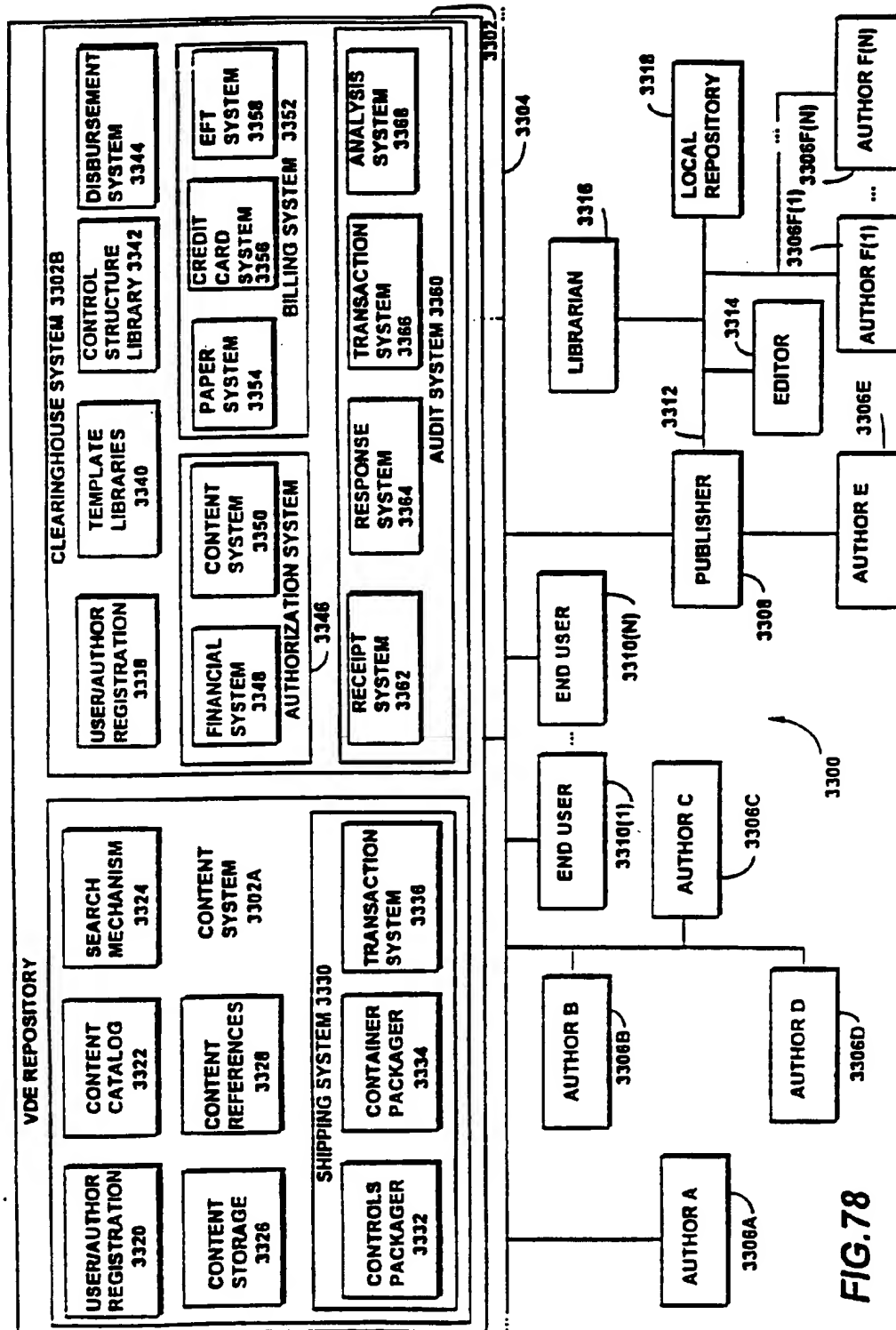
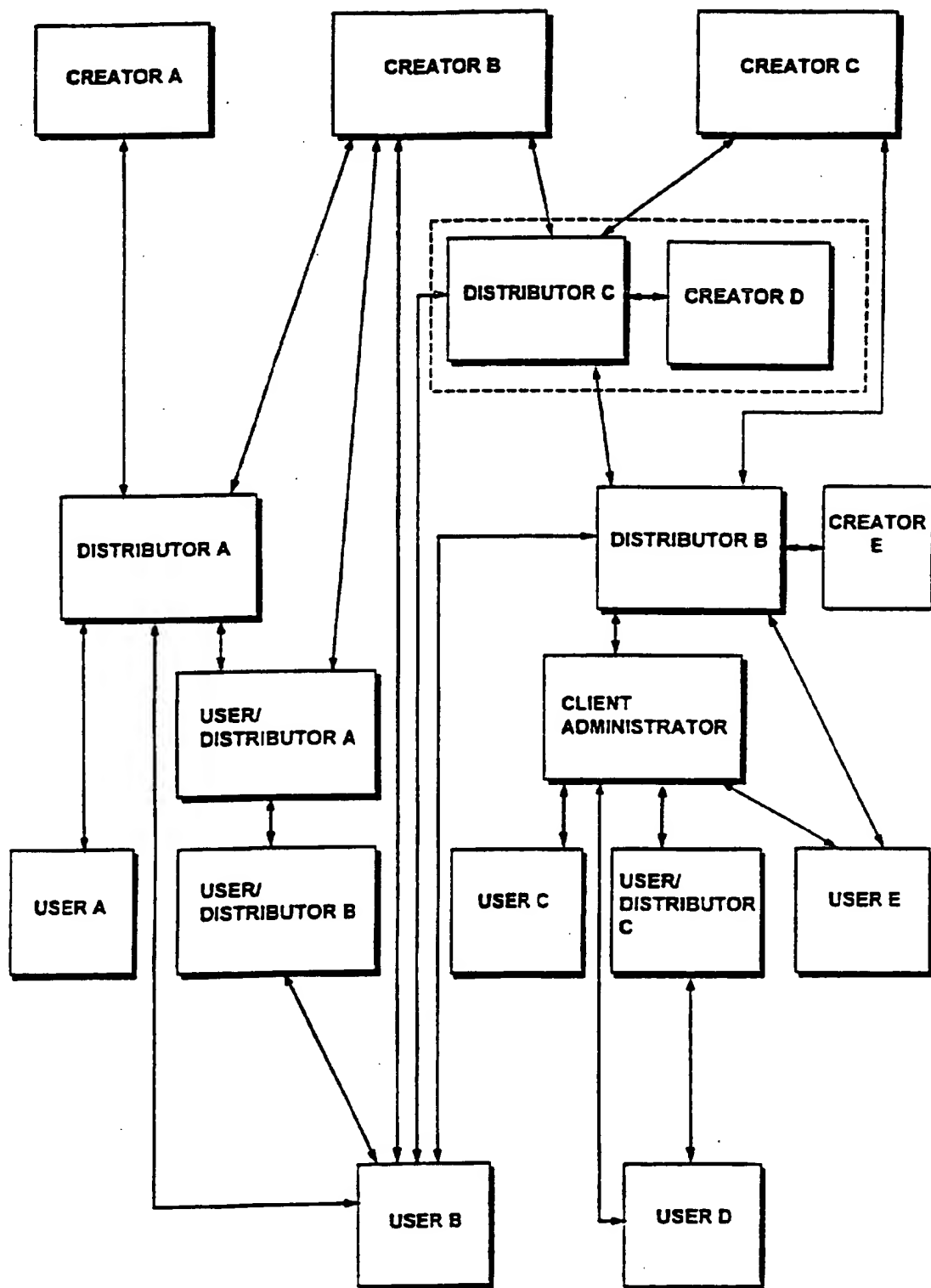
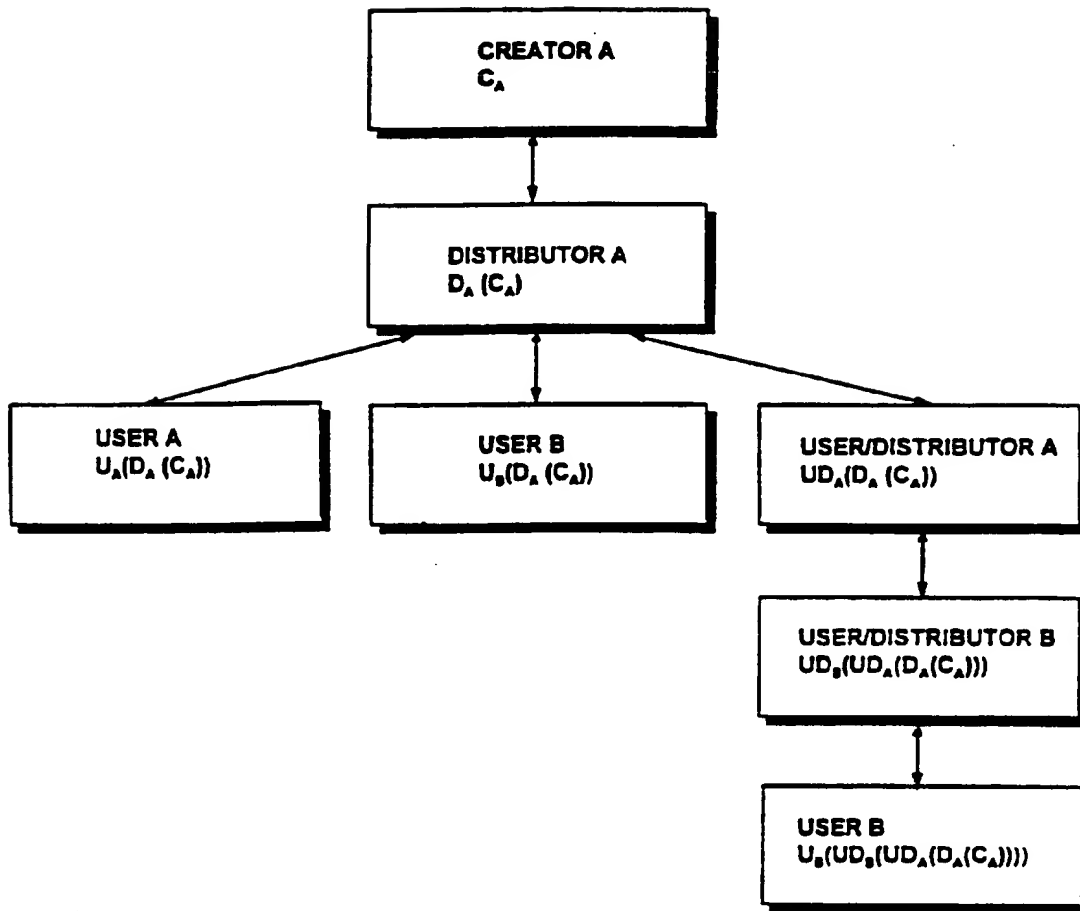


FIG.78

FIG. 79





**FIG. 80**

**FIG. 81**

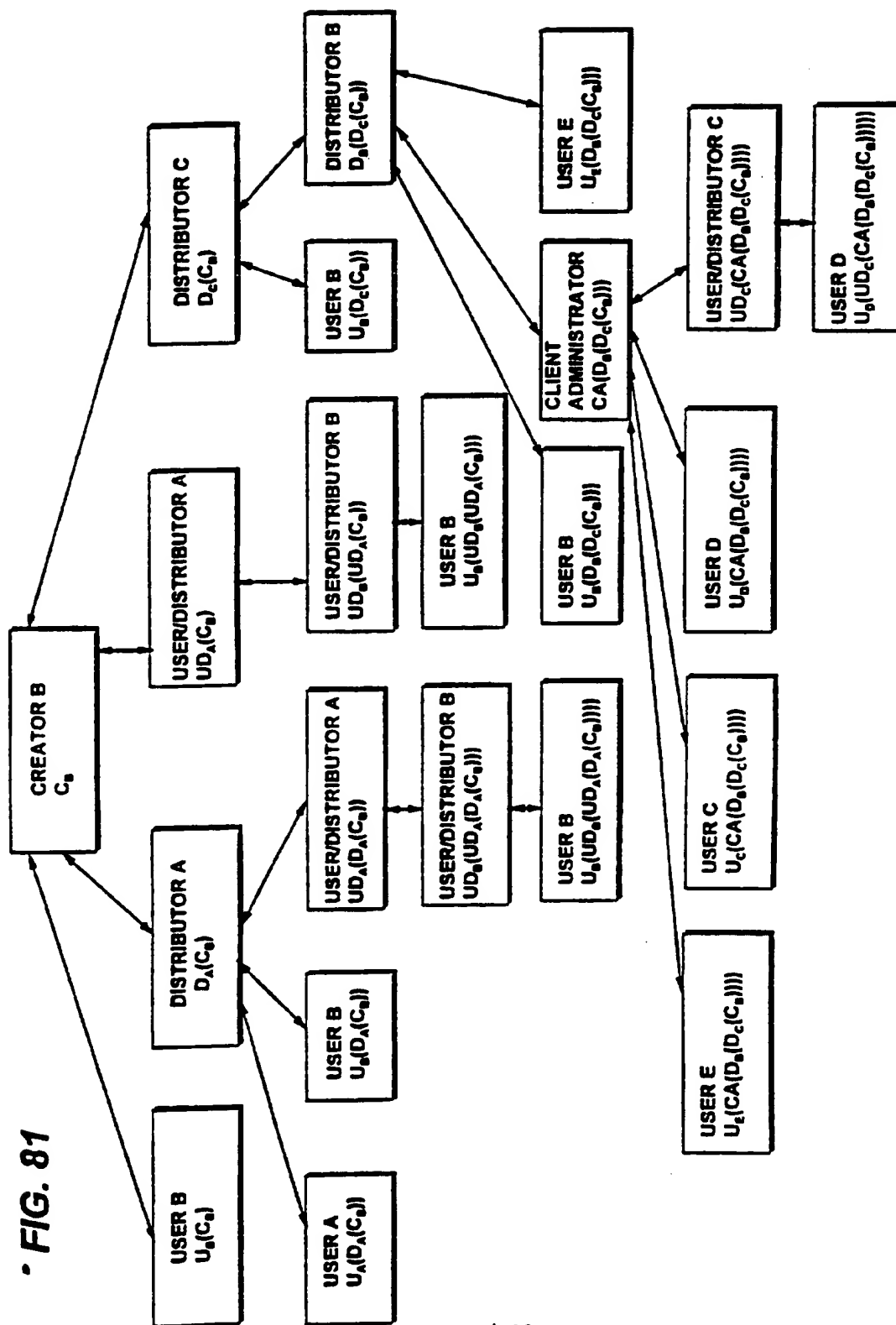


FIG. 82

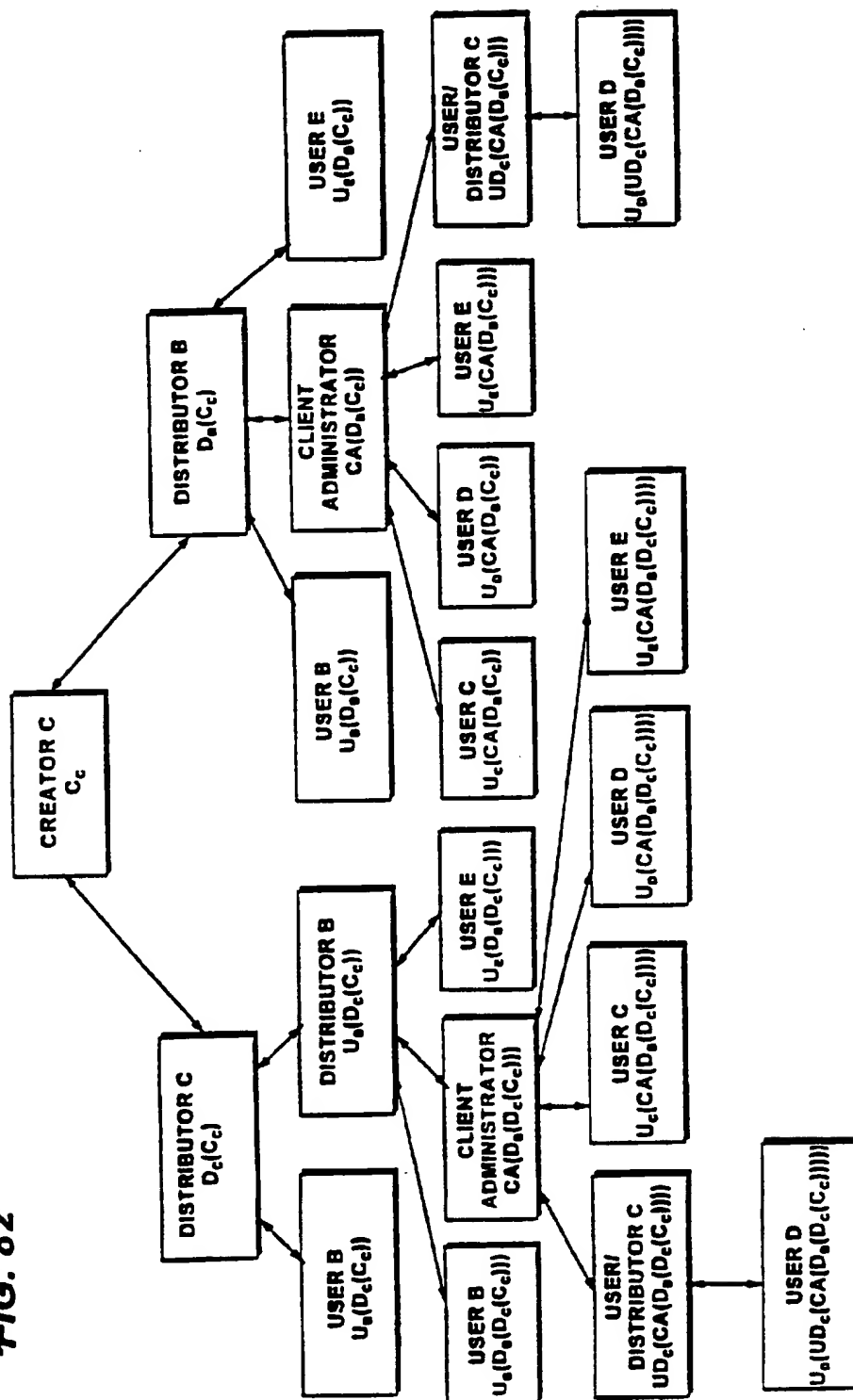


FIG. 83

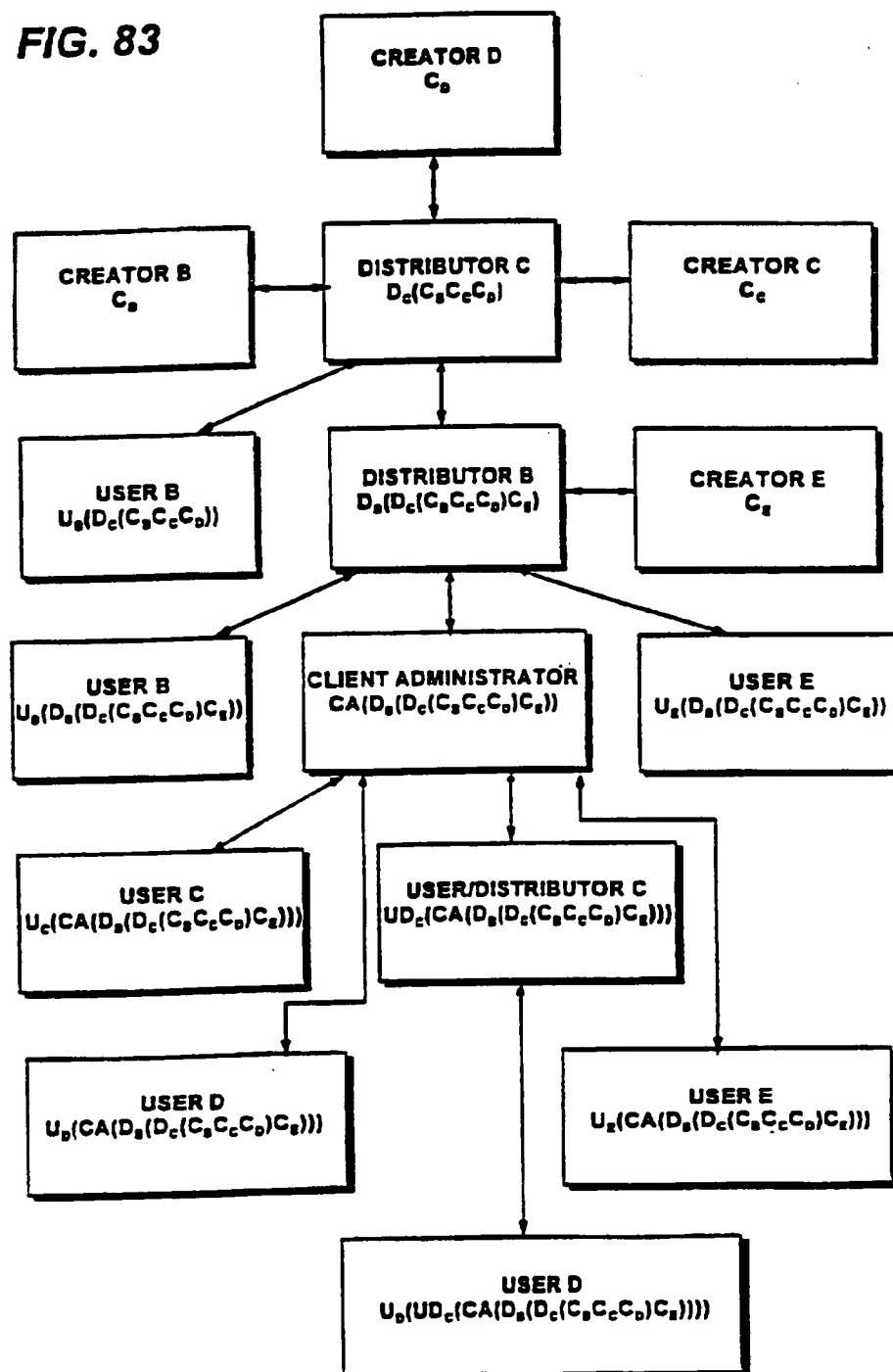


FIG. 84

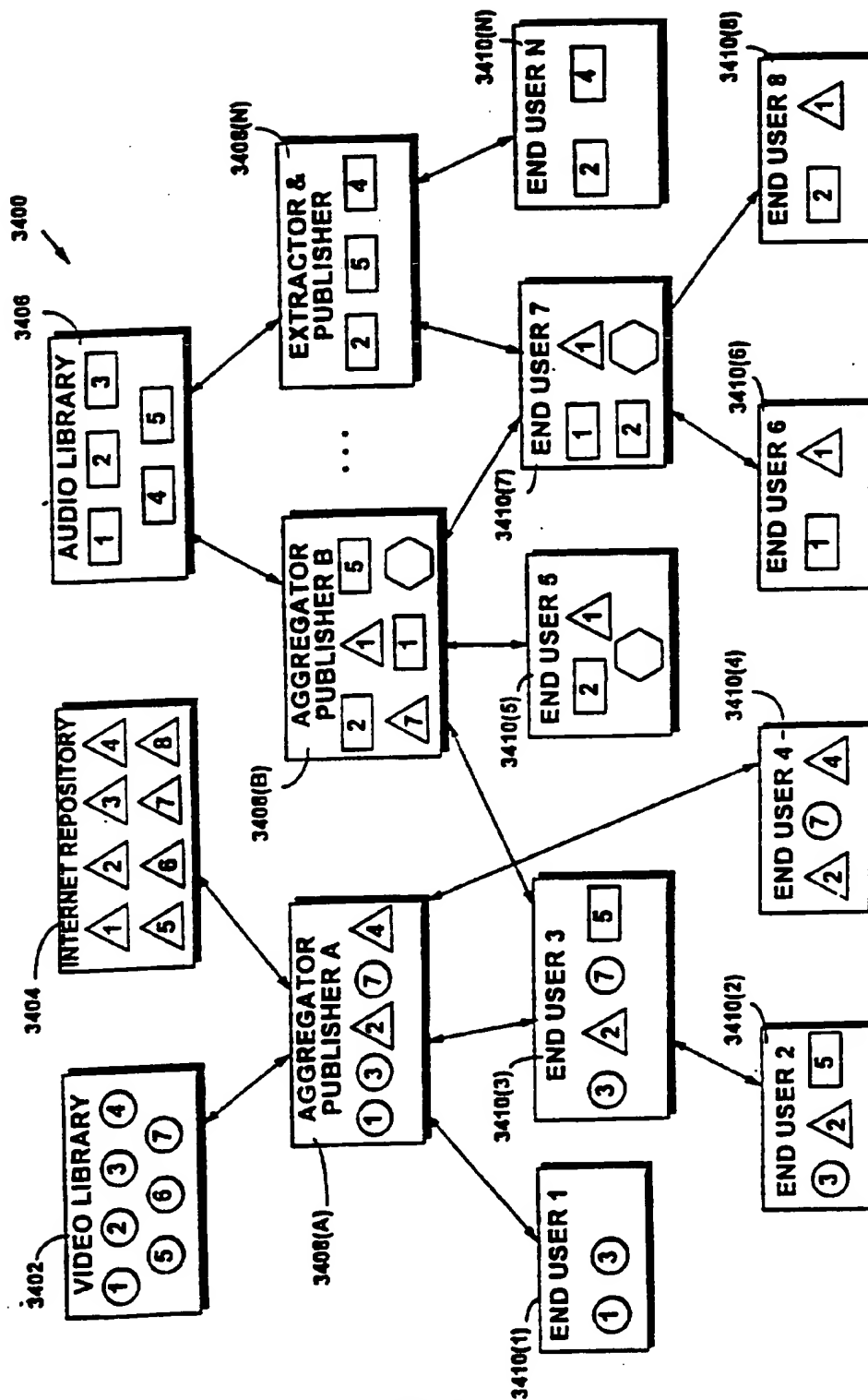
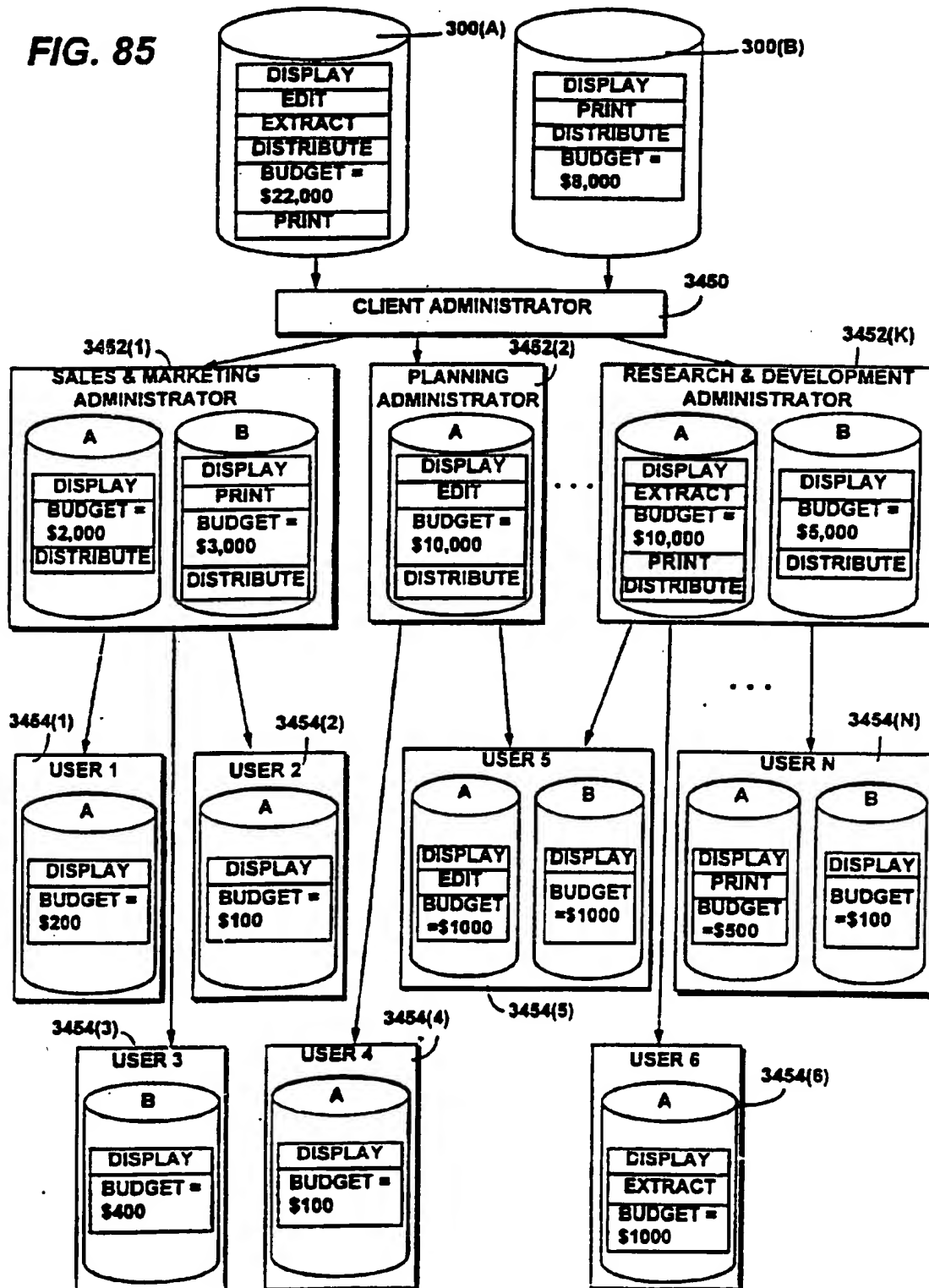
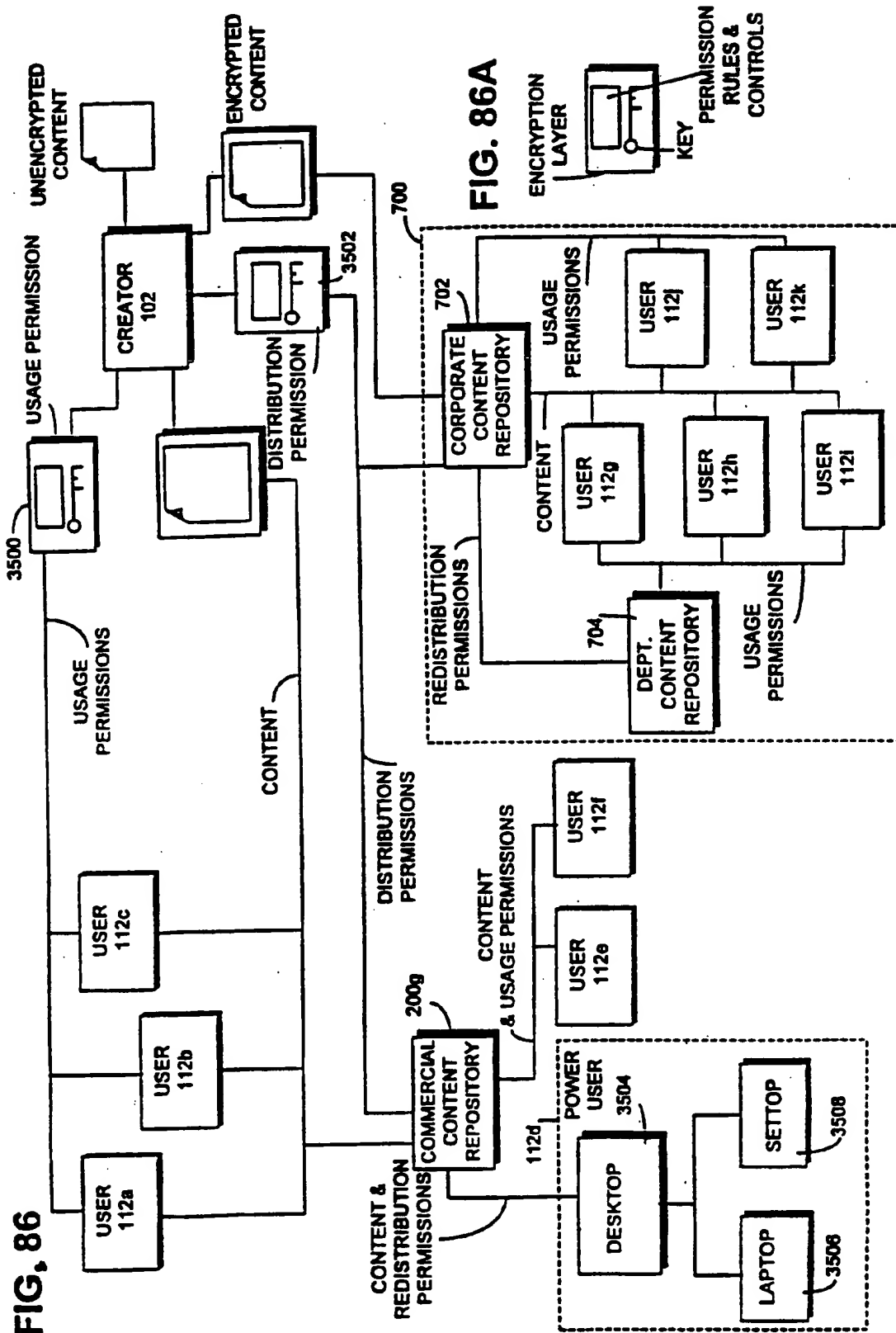


FIG. 85





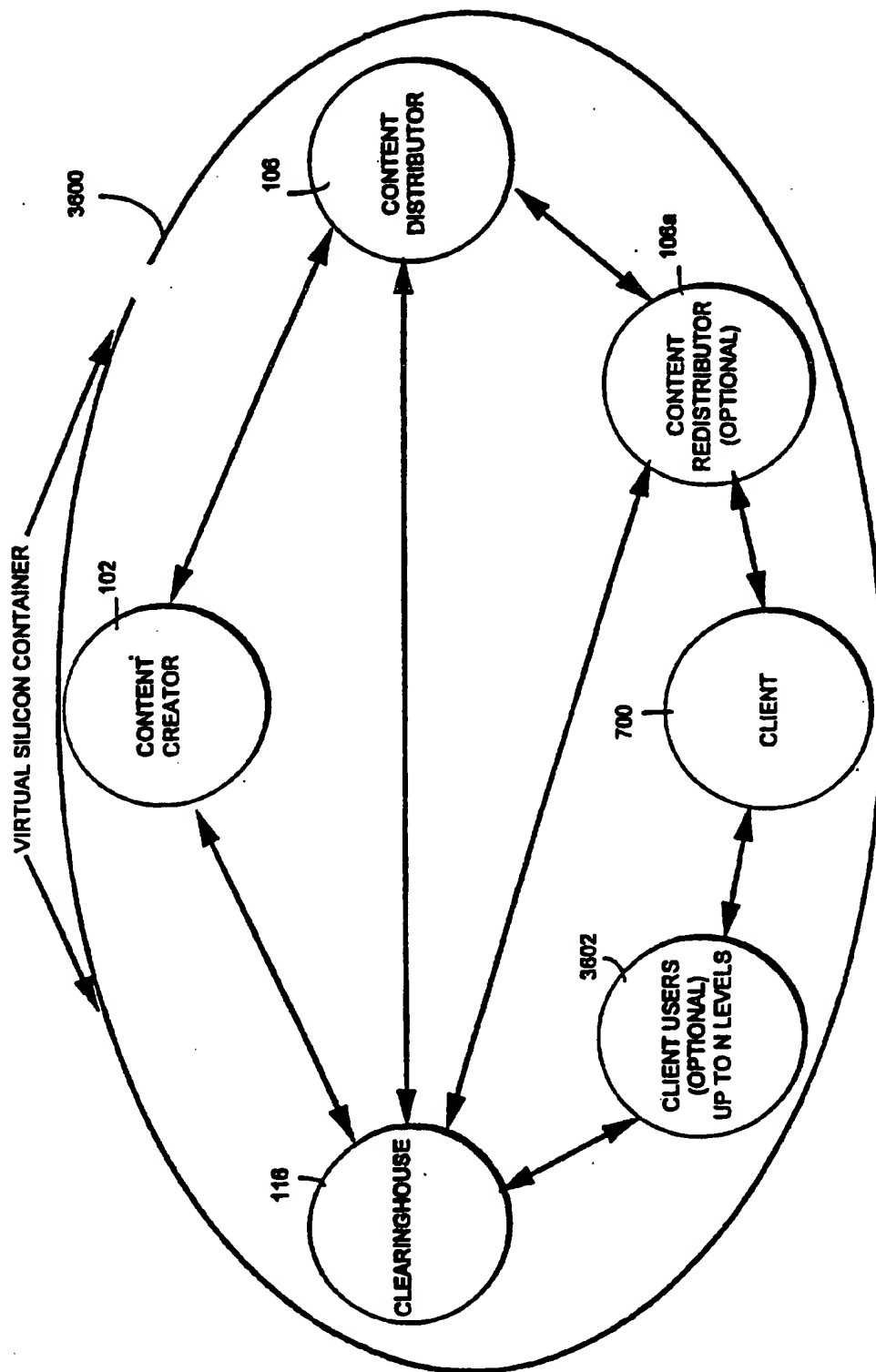
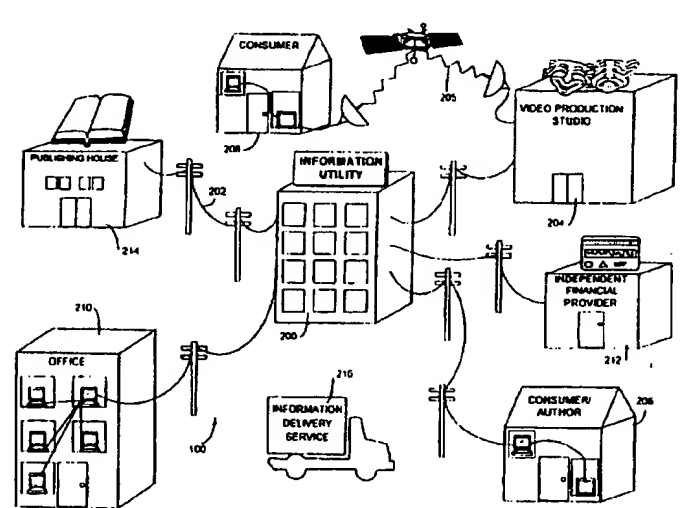


FIG. 87





## INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

<p>(51) International Patent Classification <sup>6</sup> : G06F 1/00, 17/60</p>	<p>A3</p>	<p>(11) International Publication Number: <b>WO 96/27155</b> (43) International Publication Date: 6 September 1996 (06.09.96)</p>
<p>(21) International Application Number: PCT/US96/02303 (22) International Filing Date: 13 February 1996 (13.02.96) (30) Priority Data: 08/388,107 13 February 1995 (13.02.95) US (71) Applicant: ELECTRONIC PUBLISHING RESOURCES, INC. [US/US]; 5203 Battery Lane, Bethesda, MD 20814 (US). (72) Inventors: GINTER, Karl, L.; 10404 43rd Avenue, Beltsville, MD 20705 (US). SHEAR, Victor, H.; 5203 Battery Lane, Bethesda, MD 20814 (US). SPAHN, Francis, J.; 2410 Edwards Avenue, El Cerrito, CA 94530 (US). VAN WIE, David, M.; 1250 Lakeside Drive, Sunnyvale, CA 94086 (US). (74) Agent: FARIS, Robert, W.; Nixon &amp; Vanderhye P.C., 1100 North Glebe Road, Arlington, VA 22201-4714 (US).</p>		<p>(81) Designated States: AL, AM, AT, AU, AZ, BB, BG, BR, BY, CA, CH, CN, CZ, DE, DK, EE, ES, FI, GB, GE, HU, IS, JP, KE, KG, KP, KR, KZ, LK, LR, LS, LT, LU, LV, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, TJ, TM, TR, TT, UA, UG, UZ, VN, ARIPO patent (KE, LS, MW, SD, SZ, UG), Eurasian patent (AZ, BY, KG, KZ, RU, TJ, TM), European patent (AT, BE, CH, DE, DK, ES, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, ML, MR, NE, SN, TD, TG).</p> <p><b>Published</b> <i>With international search report.</i> <i>Before the expiration of the time limit for amending the claims and to be republished in the event of the receipt of amendments.</i></p> <p>(88) Date of publication of the international search report: 19 June 1997 (19.06.97)</p>
<p>(54) Title: SYSTEMS AND METHODS FOR SECURE TRANSACTION MANAGEMENT AND ELECTRONIC RIGHTS PROTECTION</p>  <p>(57) Abstract</p> <p>The present invention provides systems and methods for electronic commerce including secure transaction management and electronic rights protection. Electronic appliances such as computers employed in accordance with the present invention help to ensure that information is accessed and used only in authorized ways, and maintain the integrity, availability, and/or confidentiality of the information. Secure subsystems used with such electronic appliances provide a distributed virtual distribution environment (VDE) that may enforce a secure chain of handling and control, for example, to control and/or meter or otherwise monitor use of electronically stored or disseminated information. Such a virtual distribution environment may be used to protect rights of various participants in electronic commerce and other electronic or electronic-facilitated transactions. Secure distributed and other operating system environments and architectures, employing, for example, secure semiconductor processing arrangements that may establish secure, protected environments at each node. These techniques may be used to support an end-to-end electronic information distribution capability that may be used, for example, utilizing the "electronic highway".</p>		

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# INTERNATIONAL SEARCH REPORT

International Application No.

PCT/US 96/02303

A. CLASSIFICATION OF SUBJECT MATTER  
IPC 6 G06F1/00 G06F17/60

According to International Patent Classification (IPC) or to both national classification and IPC

## B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

IPC 6 G06F

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practical, search terms used)

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	- / - -	

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☒ Patent family members are listed in annex.

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\*O\* document referring to an oral disclosure, use, exhibition or other means

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\*T\* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention

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\*Y\* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art

\*Z\* document member of the same patent family

Date of the actual completion of the international search

18 April 1997

Date of mailing of the international search report

14. 05. 97

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Authorized officer

Powell, D

# INTERNATIONAL SEARCH REPORT

Internal Application No

PCT/US 96/02303

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Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	WO 90 02382 A (INDATA CORP) 8 March 1990	1,2,5,6, 23,24, 62-65, 68,69, 72-77, 99-102, 133-138, 147-152, 155-158, 199,200
Y	see abstract; figures 2,15 see page 18, last paragraph - page 21, paragraph 2	21,22, 29,30, 103-108, 127-130, 223,224, 233,234, 237,238, 241-244, 504,506
A	see page 23, last paragraph - page 24, paragraph 1	61,143, 144,207, 208,245, 246, 487-500, 507-509
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# INTERNATIONAL SEARCH REPORT

International Application No  
PCT/US 96/02303

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Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	US 5 319 705 A (HALTER BERNARD J ET AL) 7 June 1994	7-12, 17-20, 72-77, 133,134, 147-152, 155-158, 265-268, 298,300, 363,396
Y	see abstract; figures 2,4,12	21,22, 109,110, 115, 203-206, 213,214, 223,224, 237,238, 265, 302-305, 394,395
A	see column 4, line 33 - column 6, line 24 see column 24, line 33 - column 25, line 13	25,26, 31-38, 127-132, 207,208, 370-374, 381-384, 404
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	-/--	

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International Application No

PCT/US 96/02303

## C.(Continuation) DOCUMENTS CONSIDERED TO BE RELEVANT

Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
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Y		29,30, 103-108, 127-130, 233,234, 241-244, 504,506
A	see abstract; figure 1 see page 1134, left-hand column, line 25 - page 1135, right-hand column, line 27	
X	EP 0 128 672 A (GALE IRA DENNIS) 19 December 1984 see abstract; figure 1 see page 11, line 1 - line 18	31-38, 153,154, 219,220, 231,232, 370-374, 381-384, 494-497, 501-503, 511,512
A		78,79, 139-142
X	US 4 672 572 A (ALSBERG PETER) 9 June 1987 see abstract; figures 1,2,5,8	80,81, 197,525
Y		83,84
A	see column 2, line 9 - column 3, line 26	109,110, 115, 302-305, 394,395
Y	EP 0 565 314 A (FISCHER ADDISON M) 13 October 1993 see abstract	245,246, 253,254
	--- -/--	243,265

# INTERNATIONAL SEARCH REPORT

International Application No  
PCT/US 96/02303

C(Continuation) DOCUMENTS CONSIDERED TO BE RELEVANT		
Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 4 799 156 A (SHAVIT EYAL ET AL) 17 January 1989	42-44, 203-206, 213,214
A	see abstract; figure 2 see column 7, line 47 - column 8, line 54 see column 9, line 7 - column 11, line 35	153,154, 207,208, 225-228, 370-374, 381-384, 494-497, 501-503
Y	--- MAPPING NEW APPLICATIONS ONTO NEW TECHNOLOGIES, ZURICH, MAR. 8 - 10, 1988, no. -, 8 March 1988, PLATTNER B;GUNZBURGER P, pages 45-52, XP000215989 SIUDA K: "SECURITY SERVICES IN TELECOMMUNICATIONS NETWORKS" see the whole document	42-44
A		31-38, 55-58, 95,153, 154,231, 232
Y	--- EP 0 399 822 A (HEWLETT PACKARD CO) 28 November 1990 see the whole document	87-89
Y	--- GB 2 264 796 A (IBM) 8 September 1993 see the whole document	87-89
A	--- WO 92 22870 A (ICL DATA AB) 23 December 1992	93-98, 277-280, 306-318, 342-349, 375-379, 385, 387-393
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A	--- US 5 343 527 A (MOORE JAMES W) 30 August 1994	93-98, 277-280, 306-318, 342-349, 375-379, 385, 387-393
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# INTERNATIONAL SEARCH REPORT

International Application No  
PCT/US 96/02303

## C.(Continuation) DOCUMENTS CONSIDERED TO BE RELEVANT

Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A	EP 0 421 409 A (IBM) 10 April 1991  see the whole document ---	225-228, 245,246, 253,254
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# INTERNATIONAL SEARCH REPORT

International application No.

PCT/US 96/02303

## Box I Observations where certain claims were found unsearchable (Continuation of item 1 of first sheet)

This International Search Report has not been established in respect of certain claims under Article 17(2)(a) for the following reasons:

1. ☐ Claims Nos.:  
because they relate to subject matter not required to be searched by this Authority, namely:
2. ☐ Claims Nos.:  
because they relate to parts of the International Application that do not comply with the prescribed requirements to such an extent that no meaningful International Search can be carried out, specifically:
3. ☐ Claims Nos.:  
because they are dependent claims and are not drafted in accordance with the second and third sentences of Rule 6.4(a).

## Box II Observations where unity of invention is lacking (Continuation of item 2 of first sheet)

This International Searching Authority found multiple inventions in this international application, as follows:

see annexed sheets.

1. ☐ As all required additional search fees were timely paid by the applicant, this International Search Report covers all searchable claims.
2. ☐ As all searchable claims could be searched without effort justifying an additional fee, this Authority did not invite payment of any additional fee.
3. ☒ As only some of the required additional search fees were timely paid by the applicant, this International Search Report covers only those claims for which fees were paid, specifically claims Nos.:  
  
Inventions: 3, 6,7,9,10,24 and 29
4. ☐ No required additional search fees were timely paid by the applicant. Consequently, this International Search Report is restricted to the invention first mentioned in the claims; it is covered by claims Nos.:

Remark on Protest

- ☐ The additional search fees were accompanied by the applicant's protest.
- ☐ No protest accompanied the payment of additional search fees.

# INTERNATIONAL SEARCH REPORT

International Application No. PCT/US 96/ 02303

FURTHER INFORMATION CONTINUED FROM PCT/ISA/210

The following (groups of) inventions have been identified:

Invention	Claims	Subject matter
1.	1-12,17-26,29,30,61-65,68,69,72-77,99-108,127-130,133-138,147-152,155-158,199,200,219-222,233,234,243,244,265-268,294-301,363,364,398,404,504,506	Solving problems related to: Distributing electronic information to a rightful destination using a different virtual distribution environment node (than either supplier or destination) to process the control information associated with the said digital information (cf. either of documents D1 and D2)
2.	13-16	Solving problems related to: Automating electronic processes.
3.	31-39,42-45,55-58,153,154,203-208,213-218,223-228,231,232,237,238,241,242,370-374,381-384,487-489,500,505,507-512	Solving problems related to: Electronic commerce.
4.	40,41,46-54,259-262,402	Solving problems related to: Identification of principals or principals' properties.
5.	59,60,66,67,70,71,235,236,239,240,401	Solving problems related to: Handling electronic currency.
6.	78-81,139-144,197,525	Solving problems related to: Tamper-resistant containers.
7.	82-84,109-116,127-132,273-276,302-305,394,395,494-497,501-503	Solving problems related to: Audit or administrative information.
8.	85,86	Solving problems related to: Human readable interfaces.
9.	87-92,201,202,209,210,282,283	Solving problems related to: Event or task processing.
10.	93-98,277-280,306-318,342-349,375-379,385,387-393	Solving problems related to: Checking component integrity or validity.
11.	117-122	Solving problems related to: Compromising a security system.

## INTERNATIONAL SEARCH REPORT

International Application No. PCT/US 96/ 02303

FURTHER INFORMATION CONTINUED FROM PCT/ISA/210

- |     |                                         |                                                                         |
|-----|-----------------------------------------|-------------------------------------------------------------------------|
| 12. | 123-126                                 | Solving problems related to:<br>Electronic data fingerprinting.         |
| 13. | 159,160,194-196,400,516,<br>523,524     | Solving problems related to:<br>Secure processors.                      |
| 14. | 161-166,517                             | Solving problems related to:<br>Video controllers.                      |
| 15. | 167-172,175,176,518,519                 | Solving problems related to:<br>Network communications.                 |
| 16. | 173,174,520                             | Solving problems related to:<br>CD-ROM controllers.                     |
| 17. | 177,178,521                             | Solving problems related to:<br>Set-top controllers.                    |
| 18. | 179-185,522                             | Solving problems related to:<br>Electronic games.                       |
| 19. | 186-193                                 | Solving problems related to:<br>Multimedia communications.              |
| 20. | 198,526                                 | Solving problems related to:<br>Detection of power supply interruption. |
| 21. | 145,146                                 | Solving problems related to:<br>Bitmap data structures.                 |
| 22. | 211,212                                 | Solving problems related to:<br>Modular control structures.             |
| 23. | 229,230                                 | Solving problems related to:<br>Billing and budgeting.                  |
| 24. | 245,246,253,254,341,<br>350-353,360-362 | Solving problems related to:<br>Protected processing operations.        |
| 25. | 27,28,247-252,513-515                   | Solving problems related to:<br>Secure database management.             |
| 26. | 263,264                                 | Solving problems related to:<br>Secure electronic mail.                 |
| 27. | 269-272                                 | Solving problems related to:<br>Controlling a robot.                    |

## INTERNATIONAL SEARCH REPORT

International Application No. PCT/US 96/ 02303

FURTHER INFORMATION CONTINUED FROM PCT/ISA/210

- |     |                         |                                                               |
|-----|-------------------------|---------------------------------------------------------------|
| 28. | 284-293,482-486         | Solving problems related to:<br>Business automation.          |
| 29. | 319,321-340             | Solving problems related to:<br>Software construction.        |
| 30. | 320,369,380             | Solving problems related to:<br>Resource management.          |
| 31. | 354-359,365-368         | Solving problems related to:<br>Combining or modifying data.  |
| 32. | 397                     | Solving problems related to:<br>Point of sale systems.        |
| 33. | 398,399,490-493,498,499 | Solving problems related to:<br>Advertising.                  |
| 34. | 403                     | Solving problems related to:<br>Renting an appliance.         |
| 35. | 255-258,281,386         | Solving problems related to:<br>Rights described in software. |

A concise analysis shows that the Special Technical Features of these 35 groups of claims, as determined by comparison with the features disclosed in either of documents D1 or D2, are not the same. A comparison of the objective problems related to these different groups of inventions, all seen in the light of the description and the drawings of the application, shows that these objective problems are all different and have no corresponding technical effect.

Consequently, the Special Technical Features of these different groups of inventions are neither the same nor corresponding as defined in Rule 13.2 PCT, 2nd sentence, and therefore the requirement of Unity of Invention (Rule 13.1, 2 PCT) has not been fulfilled.

Finally, it should be noted that searching the additional subject-matter of any of the groups of claims 2-35 would have involved a considerable additional search effort.

# INTERNATIONAL SEARCH REPORT

Information on patent family members

International Application No

PCT/US 96/02303

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INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

<p>(51) International Patent Classification <sup>6</sup> : <b>G06F</b></p>	<p><b>A2</b></p>	<p>(11) International Publication Number: <b>WO 96/27155</b> (43) International Publication Date: 6 September 1996 (06.09.96)</p>
<p>(21) International Application Number: PCT/US96/02303 (22) International Filing Date: 13 February 1996 (13.02.96) (30) Priority Data: 08/388,107 13 February 1995 (13.02.95) US (71) Applicant: ELECTRONIC PUBLISHING RESOURCES, INC. [US/US]; 5203 Battery Lane, Bethesda, MD 20814 (US). (72) Inventors: GINTER, Karl, L.; 10404 43rd Avenue, Beltsville, MD 20705 (US). SHEAR, Victor, H.; 5203 Battery Lane, Bethesda, MD 20814 (US). SPAHN, Francis, J.; 2410 Edwards Avenue, El Cerrito, CA 94530 (US). VAN WIE, David, M.; 1250 Lakeside Drive, Sunnyvale, CA 94086 (US). (74) Agent: FARIS, Robert, W.; Nixon &amp; Vanderhye P.C., 1100 North Glebe Road, Arlington, VA 22201-4714 (US).</p>		<p>(81) Designated States: AL, AM, AT, AU, AZ, BB, BG, BR, BY, CA, CH, CN, CZ, DE, DK, EE, ES, FI, GB, GE, HU, IS, JP, KE, KG, KP, KR, KZ, LK, LR, LS, LT, LU, LV, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, TJ, TM, TR, TT, UA, UG, UZ, VN, ARIPO patent (KE, LS, MW, SD, SZ, UG), Eurasian patent (AZ, BY, KG, KZ, RU, TJ, TM), European patent (AT, BE, CH, DE, DK, ES, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, ML, MR, NE, SN, TD, TG).</p> <p><b>Published</b> <i>Without international search report and to be republished upon receipt of that report.</i></p>
<p>(54) Title: SYSTEMS AND METHODS FOR SECURE TRANSACTION MANAGEMENT AND ELECTRONIC RIGHTS PROTECTION</p> <p>(57) Abstract</p> <p>The present invention provides systems and methods for electronic commerce including secure transaction management and electronic rights protection. Electronic appliances such as computers employed in accordance with the present invention help to ensure that information is accessed and used only in authorized ways, and maintain the integrity, availability, and/or confidentiality of the information. Secure subsystems used with such electronic appliances provide a distributed virtual distribution environment (VDE) that may enforce a secure chain of handling and control, for example, to control and/or meter or otherwise monitor use of electronically stored or disseminated information. Such a virtual distribution environment may be used to protect rights of various participants in electronic commerce and other electronic or electronic-facilitated transactions. Secure distributed and other operating system environments and architectures, employing, for example, secure semiconductor processing arrangements that may establish secure, protected environments at each node. These techniques may be used to support an end-to-end electronic information distribution capability that may be used, for example, utilizing the "electronic highway".</p>		

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## **SYSTEMS AND METHODS FOR SECURE TRANSACTION MANAGEMENT AND ELECTRONIC RIGHTS PROTECTION**

### **Field(s) of the Invention(s)**

This invention generally relates to computer and/or electronic security.

5

More particularly, this invention relates to systems and techniques for secure transaction management. This invention also relates to computer-based and other electronic appliance-based technologies that help to ensure that information is accessed and/or otherwise used only in authorized ways, and maintains the integrity, availability, and/or confidentiality of such information and processes related to such use.

10

The invention also relates to systems and methods for protecting rights of various participants in electronic commerce and other electronic or electronically-facilitated transactions.

15

The invention also relates to secure chains of handling and control for both information content and information employed to regulate the use of such content and consequences of such use. It also relates to systems and techniques that manage, including meter and/or limit and/or otherwise monitor use of electronically stored and/or disseminated information. The invention

20

particularly relates to transactions, conduct and arrangements that make use of, including consequences of use of, such systems and/or techniques.

5           The invention also relates to distributed and other operating systems, environments and architectures. It also generally relates to secure architectures, including, for example, tamper-resistant hardware-based processors, that can be used to establish security at each node of a distributed system.

10

#### **Background and Summary of the Invention(s)**

Telecommunications, financial transactions, government processes, business operations, entertainment, and personal business productivity all now depend on electronic appliances.

15       Millions of these electronic appliances have been electronically connected together. These interconnected electronic appliances comprise what is increasingly called the "information highway." Many businesses, academicians, and government leaders are concerned about how to protect the rights of citizens and

20       organizations who use this information (also "electronic" or "digital") highway.

#### **Electronic Content**

Today, virtually anything that can be represented by

25       words, numbers, graphics, or system of commands and

instructions can be formatted into electronic digital information.

Television, cable, satellite transmissions, and on-line services transmitted over telephone lines, compete to distribute digital information and entertainment to homes and businesses. The

5 owners and marketers of this content include software developers, motion picture and recording companies, publishers of books, magazines, and newspapers, and information database providers. The popularization of on-line services has also enabled the individual personal computer user to participate as a content  
10 provider. It is estimated that the worldwide market for electronic information in 1992 was approximately \$40 billion and is expected to grow to \$200 billion by 1997, according to Microsoft Corporation. The present invention can materially enhance the revenue of content providers, lower the distribution costs and the  
15 costs for content, better support advertising and usage information gathering, and better satisfy the needs of electronic information users. These improvements can lead to a significant increase in the amount and variety of electronic information and the methods by which such information is distributed.

20

The inability of conventional products to be shaped to the needs of electronic information providers and users is sharply in contrast to the present invention. Despite the attention devoted by a cross-section of America's largest telecommunications,  
25 computer, entertainment and information provider companies to

some of the problems addressed by the present invention, only the present invention provides commercially secure, effective solutions for configurable, general purpose electronic commerce transaction/distribution control systems.

5

### **Controlling Electronic Content**

The present invention provides a new kind of "virtual distribution environment" (called "VDE" in this document) that secures, administers, and audits electronic information use. VDE  
10 also features fundamentally important capabilities for managing content that travels "across" the "information highway." These capabilities comprise a rights protection solution that serves all electronic community members. These members include content creators and distributors, financial service providers, end-users,  
15 and others. VDE is the first general purpose, configurable, transaction control/rights protection solution for users of computers, other electronic appliances, networks, and the information highway.

20

A fundamental problem for electronic content providers is extending their ability to control the use of proprietary information. Content providers often need to limit use to authorized activities and amounts. Participants in a business model involving, for example, provision of movies and advertising  
25 on optical discs may include actors, directors, script and other

writers, musicians, studios, publishers, distributors, retailers, advertisers, credit card services, and content end-users. These participants need the ability to embody their range of agreements and requirements, including use limitations, into an "extended" agreement comprising an overall electronic business model. This extended agreement is represented by electronic content control information that can automatically enforce agreed upon rights and obligations. Under VDE, such an extended agreement may comprise an electronic contract involving all business model participants. Such an agreement may alternatively, or in addition, be made up of electronic agreements between subsets of the business model participants. Through the use of VDE, electronic commerce can function in the same way as traditional commerce—that is commercial relationships regarding products and services can be shaped through the negotiation of one or more agreements between a variety of parties.

Commercial content providers are concerned with ensuring proper compensation for the use of their electronic information. Electronic digital information, for example a CD recording, can today be copied relatively easily and inexpensively. Similarly, unauthorized copying and use of software programs deprives rightful owners of billions of dollars in annual revenue according to the International Intellectual Property Alliance. Content providers and distributors have devised a number of limited

function rights protection mechanisms to protect their rights.

Authorization passwords and protocols, license servers,

“lock/unlock” distribution methods, and non-electronic

contractual limitations imposed on users of shrink-wrapped

5 software are a few of the more prevalent content protection

schemes. In a commercial context, these efforts are inefficient

and limited solutions.

Providers of “electronic currency” have also created

10 protections for their type of content. These systems are not

sufficiently adaptable, efficient, nor flexible enough to support

the generalized use of electronic currency. Furthermore, they do

not provide sophisticated auditing and control configuration

capabilities. This means that current electronic currency tools

15 lack the sophistication needed for many real-world financial

business models. VDE provides means for anonymous currency

and for “conditionally” anonymous currency, wherein currency

related activities remain anonymous except under special

circumstances.

20

#### **VDE Control Capabilities**

VDE allows the owners and distributors of electronic

digital information to reliably bill for, and securely control, audit,

25 and budget the use of, electronic information. It can reliably

detect and monitor the use of commercial information products.

VDE uses a wide variety of different electronic information delivery means: including, for example, digital networks, digital broadcast, and physical storage media such as optical and magnetic disks. VDE can be used by major network providers, hardware manufacturers, owners of electronic information, providers of such information, and clearinghouses that gather usage information regarding, and bill for the use of, electronic information.

10

VDE provides comprehensive and configurable transaction management, metering and monitoring technology. It can change how electronic information products are protected, marketed, packaged, and distributed. When used, VDE should result in higher revenues for information providers and greater user satisfaction and value. Use of VDE will normally result in lower usage costs, decreased transaction costs, more efficient access to electronic information, re-usability of rights protection and other transaction management implementations, greatly improved flexibility in the use of secured information, and greater standardization of tools and processes for electronic transaction management. VDE can be used to create an adaptable environment that fulfills the needs of electronic information owners, distributors, and users; financial clearinghouses; and usage information analyzers and resellers.

15

20

25

### **Rights and Control Information**

In general, the present invention can be used to protect the rights of parties who have:

- 5           (a)   proprietary or confidentiality interests in electronic information. It can, for example, help ensure that information is used only in authorized ways;
- 10           (b)   financial interests resulting from the use of electronically distributed information. It can help ensure that content providers will be paid for use of distributed information; and
- 15           (c)   interests in electronic credit and electronic currency storage, communication, and/or use including electronic cash, banking, and purchasing.

Protecting the rights of electronic community members involves a broad range of technologies. VDE combines these technologies in a way that creates a "distributed" electronic rights protection "environment." This environment secures and protects transactions and other processes important for rights protection. VDE, for example, provides the ability to prevent, or impede, interference with and/or observation of, important rights related transactions and processes. VDE, in its preferred



embodiment, uses special purpose tamper resistant Secure Processing Units (SPUs) to help provide a high level of security for VDE processes and information storage and communication.

5           The rights protection problems solved by the present invention are electronic versions of basic societal issues. These issues include protecting property rights, protecting privacy rights, properly compensating people and organizations for their work and risk, protecting money and credit, and generally  
10       protecting the security of information. VDE employs a system that uses a common set of processes to manage rights issues in an efficient, trusted, and cost-effective way.

          VDE can be used to protect the rights of parties who create  
15       electronic content such as, for example: records, games, movies, newspapers, electronic books and reference materials, personal electronic mail, and confidential records and communications. The invention can also be used to protect the rights of parties who provide electronic products, such as publishers and  
20       distributors; the rights of parties who provide electronic credit and currency to pay for use of products, for example, credit clearinghouses and banks; the rights to privacy of parties who use electronic content (such as consumers, business people, governments); and the privacy rights of parties described by  
25       electronic information, such as privacy rights related to

information contained in a medical record, tax record, or personnel record.

In general, the present invention can protect the rights of parties who have:

- (a) commercial interests in electronically distributed information -- the present invention can help ensure, for example, that parties, will be paid for use of distributed information in a manner consistent with their agreement;
- (b) proprietary and/or confidentiality interests in electronic information -- the present invention can, for example, help ensure that data is used only in authorized ways;
- (c) interests in electronic credit and electronic currency storage, communication, and/or use -- this can include electronic cash, banking, and purchasing; and
- (d) interests in electronic information derived, at least in part, from use of other electronic information.

#### VDE Functional Properties

VDE is a cost-effective and efficient rights protection solution that provides a unified, consistent system for securing and managing transaction processing. VDE can:

- 5           (a)   audit and analyze the use of content,
- (b)   ensure that content is used only in authorized ways,  
                and
- 10           (c)   allow information regarding content usage to be used  
                    only in ways approved by content users.

In addition, VDE:

- 15           (a)   is very configurable, modifiable, and re-usable;
- (b)   supports a wide range of useful capabilities that may  
                    be combined in different ways to accommodate most  
                    potential applications;
- 20           (c)   operates on a wide variety of electronic appliances  
                    ranging from hand-held inexpensive devices to large  
                    mainframe computers;

- 5 (d) is able to ensure the various rights of a number of different parties, and a number of different rights protection schemes, simultaneously;
- (e) is able to preserve the rights of parties through a series of transactions that may occur at different times and different locations;
- 10 (f) is able to flexibly accommodate different ways of securely delivering information and reporting usage; and
- 15 (g) provides for electronic analogues to "real" money and credit, including anonymous electronic cash, to pay for products and services and to support personal (including home) banking and other financial activities.

20 VDE economically and efficiently fulfills the rights protection needs of electronic community members. Users of VDE will not require additional rights protection systems for different information highway products and rights problems—nor will they be required to install and learn a new system for each new information highway application.

25

VDE provides a unified solution that allows all content creators, providers, and users to employ the same electronic rights protection solution. Under authorized circumstances, the participants can freely exchange content and associated content control sets. This means that a user of VDE may, if allowed, use the same electronic system to work with different kinds of content having different sets of content control information. The content and control information supplied by one group can be used by people who normally use content and control information supplied by a different group. VDE can allow content to be exchanged "universally" and users of an implementation of the present invention can interact electronically without fear of incompatibilities in content control, violation of rights, or the need to get, install, or learn a new content control system.

15

The VDE securely administers transactions that specify protection of rights. It can protect electronic rights including, for example:

- 20 (a) the property rights of authors of electronic content,
- (b) the commercial rights of distributors of content,
- (c) the rights of any parties who facilitated the
- 25 distribution of content,

- (d) the privacy rights of users of content,
- (e) the privacy rights of parties portrayed by stored and/or distributed content, and
- (f) any other rights regarding enforcement of electronic agreements.

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VDE can enable a very broad variety of electronically enforced commercial and societal agreements. These agreements can include electronically implemented contracts, licenses, laws, regulations, and tax collection.

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#### **Contrast With Traditional Solutions**

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Traditional content control mechanisms often require users to purchase more electronic information than the user needs or desires. For example, infrequent users of shrink-wrapped software are required to purchase a program at the same price as frequent users, even though they may receive much less value from their less frequent use. Traditional systems do not scale cost according to the extent or character of usage and traditional systems can not attract potential customers who find that a fixed price is too high. Systems using traditional mechanisms are also not normally particularly secure. For example, shrink-wrapping

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does not prevent the constant illegal pirating of software once removed from either its physical or electronic package.

Traditional electronic information rights protection systems are often inflexible and inefficient and may cause a content provider to choose costly distribution channels that increase a product's price. In general these mechanisms restrict product pricing, configuration, and marketing flexibility. These compromises are the result of techniques for controlling information which cannot accommodate both different content models and content models which reflect the many, varied requirements, such as content delivery strategies, of the model participants. This can limit a provider's ability to deliver sufficient overall value to justify a given product's cost in the eyes of many potential users. VDE allows content providers and distributors to create applications and distribution networks that reflect content providers' and users' preferred business models. It offers users a uniquely cost effective and feature rich system that supports the ways providers want to distribute information and the ways users want to use such information. VDE supports content control models that ensure rights and allow content delivery strategies to be shaped for maximum commercial results.

### **Chain of Handling and Control**

VDE can protect a collection of rights belonging to various parties having in rights in, or to, electronic information. This information may be at one location or dispersed across (and/or moving between) multiple locations. The information may pass through a "chain" of distributors and a "chain" of users. Usage information may also be reported through one or more "chains" of parties. In general, VDE enables parties that (a) have rights in electronic information, and/or (b) act as direct or indirect agents for parties who have rights in electronic information, to ensure that the moving, accessing, modifying, or otherwise using of information can be securely controlled by rules regarding how, when, where, and by whom such activities can be performed.

### **VDE Applications and Software**

VDE is a secure system for regulating electronic conduct and commerce. Regulation is ensured by control information put in place by one or more parties. These parties may include content providers, electronic hardware manufacturers, financial service providers, or electronic "infrastructure" companies such as cable or telecommunications companies. The control information implements "Rights Applications." Rights applications "run on" the "base software" of the preferred embodiment. This base software serves as a secure, flexible, general purpose foundation that can accommodate many



different rights applications, that is, many different business models and their respective participant requirements.

5           A rights application under VDE is made up of special purpose pieces, each of which can correspond to one or more basic electronic processes needed for a rights protection environment. These processes can be combined together like building blocks to create electronic agreements that can protect the rights, and may enforce fulfillment of the obligations, of electronic information  
10       users and providers. One or more providers of electronic information can easily combine selected building blocks to create a rights application that is unique to a specific content distribution model. A group of these pieces can represent the capabilities needed to fulfill the agreement(s) between users and  
15       providers. These pieces accommodate many requirements of electronic commerce including:

- !       the distribution of permissions to use electronic information;
- 20       !
- !       the persistence of the control information and sets of control information managing these permissions;
- !       configurable control set information that can be  
25       selected by users for use with such information;

! data security and usage auditing of electronic  
information; and

! a secure system for currency, compensation and  
debit management.

5

For electronic commerce, a rights application, under the preferred embodiment of the present invention, can provide electronic enforcement of the business agreements between all participants. Since different groups of components can be put together for different applications, the present invention can provide electronic control information for a wide variety of different products and markets. This means the present invention can provide a "unified," efficient, secure, and cost-effective system for electronic commerce and data security. This allows VDE to serve as a single standard for electronic rights protection, data security, and electronic currency and banking.

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In a VDE, the separation between a rights application and its foundation permits the efficient selection of sets of control information that are appropriate for each of many different types of applications and uses. These control sets can reflect both rights of electronic community members, as well as obligations (such as providing a history of one's use of a product or paying

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taxes on one's electronic purchases). VDE flexibility allows its users to electronically implement and enforce common social and commercial ethics and practices. By providing a unified control system, the present invention supports a vast range of possible transaction related interests and concerns of individuals, communities, businesses, and governments. Due to its open design, VDE allows (normally under securely controlled circumstances) applications using technology independently created by users to be "added" to the system and used in conjunction with the foundation of the invention. In sum, VDE provides a system that can fairly reflect and enforce agreements among parties. It is a broad ranging and systematic solution that answers the pressing need for a secure, cost-effective, and fair electronic environment.

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#### **VDE Implementation**

The preferred embodiment of the present invention includes various tools that enable system designers to directly insert VDE capabilities into their products. These tools include an Application Programmer's Interface ("API") and a Rights Permissioning and Management Language ("RPML"). The RPML provides comprehensive and detailed control over the use of the invention's features. VDE also includes certain user interface subsystems for satisfying the needs of content providers, distributors, and users.

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Information distributed using VDE may take many forms. It may, for example, be "distributed" for use on an individual's own computer, that is the present invention can be used to provide security for locally stored data. Alternatively, VDE may  
5 be used with information that is dispersed by authors and/or publishers to one or more recipients. This information may take many forms including: movies, audio recordings, games, electronic catalog shopping, multimedia, training materials, E-mail and personal documents, object oriented libraries,  
10 software programming resources, and reference/record keeping information resources (such as business, medical, legal, scientific, governmental, and consumer databases).

Electronic rights protection provided by the present  
15 invention will also provide an important foundation for trusted and efficient home and commercial banking, electronic credit processes, electronic purchasing, true or conditionally anonymous electronic cash, and EDI (Electronic Data Interchange). VDE provides important enhancements for improving data security in  
20 organizations by providing "smart" transaction management features that can be far more effective than key and password based "go/no go" technology.

VDE normally employs an integration of cryptographic and  
25 other security technologies (e.g. encryption, digital signatures,

etc.), with other technologies including: component, distributed, and event driven operating system technology, and related communications, object container, database, smart agent, smart card, and semiconductor design technologies.

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## **I. Overview**

### **A. VDE Solves Important Problems and Fills Critical Needs**

10 The world is moving towards an integration of electronic information appliances. This interconnection of appliances provides a foundation for much greater electronic interaction and the evolution of electronic commerce. A variety of capabilities are required to implement an electronic commerce environment. VDE is the first system that provides many of these capabilities  
15 and therefore solves fundamental problems related to electronic dissemination of information.

### **Electronic Content**

20 VDE allows electronic arrangements to be created involving two or more parties. These agreements can themselves comprise a collection of agreements between participants in a commercial value chain and/or a data security chain model for handling, auditing, reporting, and payment. It can provide efficient, reusable, modifiable, and consistent means for secure  
25 electronic content: distribution, usage control, usage payment,

usage auditing, and usage reporting. Content may, for example, include:

5           !     financial information such as electronic currency and credit;

          !     commercially distributed electronic information such as reference databases, movies, games, and advertising; and

10           !     electronic properties produced by persons and organizations, such as documents, e-mail, and proprietary database information.

15     VDE enables an electronic commerce marketplace that supports differing, competitive business partnerships, agreements, and evolving overall business models.

20           The features of VDE allow it to function as the first trusted electronic information control environment that can conform to, and support, the bulk of conventional electronic commerce and data security requirements. In particular, VDE enables the participants in a business value chain model to create an electronic version of traditional business agreement terms and

25     conditions and further enables these participants to shape and

evolve their electronic commerce models as they believe appropriate to their business requirements.

5 VDE offers an architecture that avoids reflecting specific distribution biases, administrative and control perspectives, and content types. Instead, VDE provides a broad-spectrum, fundamentally configurable and portable, electronic transaction control, distributing, usage, auditing, reporting, and payment operating environment. VDE is not limited to being an application or application specific toolset that covers only a limited subset of electronic interaction activities and participants. Rather, VDE supports systems by which such applications can be created, modified, and/or reused. As a result, the present invention answers pressing, unsolved needs by offering a system that supports a standardized control environment which facilitates interoperability of electronic appliances, interoperability of content containers, and efficient creation of electronic commerce applications and models through the use of a programmable, secure electronic transactions management foundation and reusable and extensible executable components. VDE can support a single electronic "world" within which most forms of electronic transaction activities can be managed.

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To answer the developing needs of rights owners and content providers and to provide a system that can accommodate

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the requirements and agreements of all parties that may be involved in electronic business models (creators, distributors, administrators, users, credit providers, etc.), VDE supplies an efficient, largely transparent, low cost and sufficiently secure system (supporting both hardware/ software and software only models). VDE provides the widely varying secure control and administration capabilities required for:

1. Different types of electronic content,
2. Differing electronic content delivery schemes,
3. Differing electronic content usage schemes,
4. Different content usage platforms, and
5. Differing content marketing and model strategies.

VDE may be combined with, or integrated into, many separate computers and/or other electronic appliances. These appliances typically include a secure subsystem that can enable control of content use such as displaying, encrypting, decrypting, printing, copying, saving, extracting, embedding, distributing, auditing usage, etc. The secure subsystem in the preferred embodiment comprises one or more "protected processing



environments", one or more secure databases, and secure  
"component assemblies" and other items and processes that need  
to be kept secured. VDE can, for example, securely control  
electronic currency, payments, and/or credit management  
5 (including electronic credit and/or currency receipt,  
disbursement, encumbering, and/or allocation) using such a  
"secure subsystem."

VDE provides a secure, distributed electronic transaction  
10 management system for controlling the distribution and/or other  
usage of electronically provided and/or stored information. VDE  
controls auditing and reporting of electronic content and/or  
appliance usage. Users of VDE may include content creators who  
apply content usage, usage reporting, and/or usage payment  
15 related control information to electronic content and/or  
appliances for users such as end-user organizations, individuals,  
and content and/or appliance distributors. VDE also securely  
supports the payment of money owed (including money owed for  
content and/or appliance usage) by one or more parties to one or  
20 more other parties, in the form of electronic credit and/or  
currency.

Electronic appliances under control of VDE represent VDE  
'nodes' that securely process and control; distributed electronic  
25 information and/or appliance usage, control information

formulation, and related transactions. VDE can securely manage the integration of control information provided by two or more parties. As a result, VDE can construct an electronic agreement between VDE participants that represent a "negotiation" between, the control requirements of, two or more parties and enacts terms and conditions of a resulting agreement. VDE ensures the rights of each party to an electronic agreement regarding a wide range of electronic activities related to electronic information and/or appliance usage.

Through use of VDE's control system, traditional content providers and users can create electronic relationships that reflect traditional, non-electronic relationships. They can shape and modify commercial relationships to accommodate the evolving needs of, and agreements among, themselves. VDE does not require electronic content providers and users to modify their business practices and personal preferences to conform to a metering and control application program that supports limited, largely fixed functionality. Furthermore, VDE permits participants to develop business models not feasible with non-electronic commerce, for example, involving detailed reporting of content usage information, large numbers of distinct transactions at hitherto infeasibly low price points, "pass-along" control information that is enforced without involvement or advance knowledge of the participants, etc.

The present invention allows content providers and users to formulate their transaction environment to accommodate:

- 5 (1) desired content models, content control models, and content usage information pathways,
- (2) a complete range of electronic media and distribution means,
- 10 (3) a broad range of pricing, payment, and auditing strategies,
- (4) very flexible privacy and/or reporting models,
- 15 (5) practical and effective security architectures, and
- (6) other administrative procedures that together with steps (1) through (5) can enable most "real world" electronic commerce and data security models, including models unique to the electronic world.
- 20

VDE's transaction management capabilities can enforce:

- (1) privacy rights of users related to information regarding their usage of electronic information and/or appliances,
- 5 (2) societal policy such as laws that protect rights of content users or require the collection of taxes derived from electronic transaction revenue, and
- 10 (3) the proprietary and/or other rights of parties related to ownership of, distribution of, and/or other commercial rights related to, electronic information.

VDE can support "real" commerce in an electronic form, that is the progressive creation of commercial relationships that form, over time, a network of interrelated agreements representing a value chain business model. This is achieved in part by enabling content control information to develop through the interaction of (negotiation between) securely created and independently submitted sets of content and/or appliance control information. Different sets of content and/or appliance control information can be submitted by different parties in an electronic business value chain enabled by the present invention. These parties create control information sets through the use of their respective VDE installations. Independently, securely deliverable, component based control information allows efficient

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interaction among control information sets supplied by different parties.

5 VDE permits multiple, separate electronic arrangements to be formed between subsets of parties in a VDE supported electronic value chain model. These multiple agreements together comprise a VDE value chain "extended" agreement. VDE allows such constituent electronic agreements, and therefore overall VDE extended agreements, to evolve and  
10 reshape over time as additional VDE participants become involved in VDE content and/or appliance control information handling. VDE electronic agreements may also be extended as new control information is submitted by existing participants. With VDE, electronic commerce participants are free to structure  
15 and restructure their electronic commerce business activities and relationships. As a result, the present invention allows a competitive electronic commerce marketplace to develop since the use of VDE enables different, widely varying business models using the same or shared content.

20 A significant facet of the present invention's ability to broadly support electronic commerce is its ability to securely manage independently delivered VDE component objects containing control information (normally in the form of VDE  
25 objects containing one or more methods, data, or load module

VDE components). This independently delivered control information can be integrated with senior and other pre-existing content control information to securely form derived control information using the negotiation mechanisms of the present invention. All requirements specified by this derived control information must be satisfied before VDE controlled content can be accessed or otherwise used. This means that, for example, all load modules and any mediating data which are listed by the derived control information as required must be available and securely perform their required function. In combination with other aspects of the present invention, securely, independently delivered control components allow electronic commerce participants to freely stipulate their business requirements and trade offs. As a result, much as with traditional, non-electronic commerce, the present invention allows electronic commerce (through a progressive stipulation of various control requirements by VDE participants) to evolve into forms of business that are the most efficient, competitive and useful.

VDE provides capabilities that rationalize the support of electronic commerce and electronic transaction management. This rationalization stems from the reusability of control structures and user interfaces for a wide variety of transaction management related activities. As a result, content usage control, data security, information auditing, and electronic

financial activities, can be supported with tools that are reusable, convenient, consistent, and familiar. In addition, a rational approach—a transaction/distribution control standard—allows all participants in VDE the same foundation set of hardware control and security, authoring, administration, and management tools to support widely varying types of information, business market model, and/or personal objectives.

Employing VDE as a general purpose electronic transaction/distribution control system allows users to maintain a single transaction management control arrangement on each of their computers, networks, communication nodes, and/or other electronic appliances. Such a general purpose system can serve the needs of many electronic transaction management applications without requiring distinct, different installations for different purposes. As a result, users of VDE can avoid the confusion and expense and other inefficiencies of different, limited purpose transaction control applications for each different content and/or business model. For example, VDE allows content creators to use the same VDE foundation control arrangement for both content authoring and for licensing content from other content creators for inclusion into their products or for other use. Clearinghouses, distributors, content creators, and other VDE users can all interact, both with the applications running on their VDE installations, and with each other, in an entirely consistent

manner, using and reusing (largely transparently) the same distributed tools, mechanisms, and consistent user interfaces, regardless of the type of VDE activity.

5           VDE prevents many forms of unauthorized use of electronic information, by controlling and auditing (and other administration of use) electronically stored and/or disseminated information. This includes, for example, commercially distributed content, electronic currency, electronic credit,  
10       business transactions (such as EDI), confidential communications, and the like. VDE can further be used to enable commercially provided electronic content to be made available to users in user defined portions, rather than constraining the user to use portions of content that were "predetermined" by a content  
15       creator and/or other provider for billing purposes.

VDE, for example, can employ:

- 20           (1)   Secure metering means for budgeting and/or auditing electronic content and/or appliance usage;
- (2)   Secure flexible means for enabling compensation and/or billing rates for content and/or appliance usage, including electronic credit and/or currency  
25       mechanisms for payment means;



- (3) Secure distributed database means for storing control and usage related information (and employing validated compartmentalization and tagging schemes);

5

- (4) Secure electronic appliance control means;

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- (5) A distributed, secure, "virtual black box" comprised of nodes located at every user (including VDE content container creators, other content providers, client users, and recipients of secure VDE content usage information) site. The nodes of said virtual black box normally include a secure subsystem having at least one secure hardware element (a semiconductor element or other hardware module for securely executing VDE control processes), said secure subsystems being distributed at nodes along a pathway of information storage, distribution, payment, usage, and/or auditing. In some embodiments, the functions of said hardware element, for certain or all nodes, may be performed by software, for example, in host processing environments of electronic appliances;

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- (6) Encryption and decryption means;

- 5 (7) Secure communications means employing authentication, digital signing, and encrypted transmissions. The secure subsystems at said user nodes utilize a protocol that establishes and authenticates each node's and/or participant's identity, and establishes one or more secure host-to-host encryption keys for communications between the secure subsystems; and
- 10 (8) Secure control means that can allow each VDE installation to perform VDE content authoring (placing content into VDE containers with associated control information), content distribution, and content usage; as well as clearinghouse and other
- 15 administrative and analysis activities employing content usage information.

20 VDE may be used to migrate most non-electronic, traditional information delivery models (including entertainment, reference materials, catalog shopping, etc.) into an adequately secure digital distribution and usage management and payment context. The distribution and financial pathways managed by a VDE arrangement may include:

25

! content creator(s),

! distributor(s),  
! redistributor(s),  
! client administrator(s),  
! client user(s),  
5 ! financial and/or other clearinghouse(s),  
! and/or government agencies.

These distribution and financial pathways may also include:

10 ! advertisers,  
! market survey organizations, and/or  
! other parties interested in the user usage of  
information securely delivered and/or stored using  
VDE.

15

Normally, participants in a VDE arrangement will employ the same secure VDE foundation. Alternate embodiments support VDE arrangements employing differing VDE foundations. Such alternate embodiments may employ procedures to ensure certain  
20 interoperability requirements are met.

Secure VDE hardware (also known as SPUs for Secure Processing Units), or VDE installations that use software to substitute for, or complement, said hardware (provided by Host  
25 Processing Environments (HPEs)), operate in conjunction with

secure communications, systems integration software, and distributed software control information and support structures, to achieve the electronic contract/rights protection environment of the present invention. Together, these VDE components

5      comprise a secure, virtual, distributed content and/or appliance control, auditing (and other administration), reporting, and payment environment. In some embodiments and where commercially acceptable, certain VDE participants, such as clearinghouses that normally maintain sufficiently physically

10     secure non-VDE processing environments, may be allowed to employ HPEs rather VDE hardware elements and interoperate, for example, with VDE end-users and content providers. VDE components together comprise a configurable, consistent, secure and "trusted" architecture for distributed, asynchronous control

15     of electronic content and/or appliance usage. VDE supports a "universe wide" environment for electronic content delivery, broad dissemination, usage reporting, and usage related payment activities.

20                VDE provides generalized configurability. This results, in part, from decomposition of generalized requirements for supporting electronic commerce and data security into a broad range of constituent "atomic" and higher level components (such as load modules, data elements, and methods) that may be

25     variously aggregated together to form control methods for

electronic commerce applications, commercial electronic agreements, and data security arrangements. VDE provides a secure operating environment employing VDE foundation elements along with secure independently deliverable VDE components that enable electronic commerce models and relationships to develop. VDE specifically supports the unfolding of distribution models in which content providers, over time, can expressly agree to, or allow, subsequent content providers and/or users to participate in shaping the control information for, and consequences of, use of electronic content and/or appliances. A very broad range of the functional attributes important for supporting simple to very complex electronic commerce and data security activities are supported by capabilities of the present invention. As a result, VDE supports most types of electronic information and/or appliance: usage control (including distribution), security, usage auditing, reporting, other administration, and payment arrangements.

VDE, in its preferred embodiment, employs object software technology and uses object technology to form "containers" for delivery of information that is (at least in part) encrypted or otherwise secured. These containers may contain electronic content products or other electronic information and some or all of their associated permissions (control) information. These container objects may be distributed along pathways involving

content providers and/or content users. They may be securely moved among nodes of a Virtual Distribution Environment (VDE) arrangement, which nodes operate VDE foundation software and execute control methods to enact electronic information usage control and/or administration models. The containers delivered through use of the preferred embodiment of the present invention may be employed both for distributing VDE control instructions (information) and/or to encapsulate and electronically distribute content that has been at least partially secured.

Content providers who employ the present invention may include, for example, software application and game publishers, database publishers, cable, television, and radio broadcasters, electronic shopping vendors, and distributors of information in electronic document, book, periodical, e-mail and/or other forms. Corporations, government agencies, and/or individual "end-users" who act as storers of, and/or distributors of, electronic information, may also be VDE content providers (in a restricted model, a user provides content only to himself and employs VDE to secure his own confidential information against unauthorized use by other parties). Electronic information may include proprietary and/or confidential information for personal or internal organization use, as well as information, such as software applications, documents, entertainment materials,

and/or reference information, which may be provided to other parties. Distribution may be by, for example, physical media delivery, broadcast and/or telecommunication means, and in the form of "static" files and/or streams of data. VDE may also be used, for example, for multi-site "real-time" interaction such as teleconferencing, interactive games, or on-line bulletin boards, where restrictions on, and/or auditing of, the use of all or portions of communicated information is enforced.

VDE provides important mechanisms for both enforcing commercial agreements and enabling the protection of privacy rights. VDE can securely deliver information from one party to another concerning the use of commercially distributed electronic content. Even if parties are separated by several "steps" in a chain (pathway) of handling for such content usage information, such information is protected by VDE through encryption and/or other secure processing. Because of that protection, the accuracy of such information is guaranteed by VDE, and the information can be trusted by all parties to whom it is delivered.

Furthermore, VDE guarantees that all parties can trust that such information cannot be received by anyone other than the intended, authorized, party(ies) because it is encrypted such that only an authorized party, or her agents, can decrypt it. Such information may also be derived through a secure VDE process at a previous pathway-of-handling location to produce secure VDE

reporting information that is then communicated securely to its intended recipient's VDE secure subsystem. Because VDE can deliver such information securely, parties to an electronic agreement need not trust the accuracy of commercial usage and/or other information delivered through means other than those under control of VDE.

VDE participants in a commercial value chain can be "commercially" confident (that is, sufficiently confident for commercial purposes) that the direct (constituent) and/or "extended" electronic agreements they entered into through the use of VDE can be enforced reliably. These agreements may have both "dynamic" transaction management related aspects, such as content usage control information enforced through budgeting, metering, and/or reporting of electronic information and/or appliance use, and/or they may include "static" electronic assertions, such as an end-user using the system to assert his or her agreement to pay for services, not to pass to unauthorized parties electronic information derived from usage of content or systems, and/or agreeing to observe copyright laws. Not only can electronically reported transaction related information be trusted under the present invention, but payment may be automated by the passing of payment tokens through a pathway of payment (which may or may not be the same as a pathway for reporting). Such payment can be contained within a VDE container created



automatically by a VDE installation in response to control information (located, in the preferred embodiment, in one or more permissions records) stipulating the "withdrawal" of credit or electronic currency (such as tokens) from an electronic account (for example, an account securely maintained by a user's VDE installation secure subsystem) based upon usage of VDE controlled electronic content and/or appliances (such as governments, financial credit providers, and users).

10 VDE allows the needs of electronic commerce participants to be served and it can bind such participants together in a universe wide, trusted commercial network that can be secure enough to support very large amounts of commerce. VDE's security and metering secure subsystem core will be present at  
15 all physical locations where VDE related content is (a) assigned usage related control information (rules and mediating data), and/or (b) used. This core can perform security and auditing functions (including metering) that operate within a "virtual black box," a collection of distributed, very secure VDE related  
20 hardware instances that are interconnected by secured information exchange (for example, telecommunication) processes and distributed database means. VDE further includes highly configurable transaction operating system technology, one or more associated libraries of load modules along with affiliated  
25 data, VDE related administration, data preparation, and analysis

applications, as well as system software designed to enable VDE integration into host environments and applications. VDE's usage control information, for example, provide for property content and/or appliance related: usage authorization, usage auditing (which may include audit reduction), usage billing, usage payment, privacy filtering, reporting, and security related communication and encryption techniques.

VDE extensively employs methods in the form of software objects to augment configurability, portability, and security of the VDE environment. It also employs a software object architecture for VDE content containers that carries protected content and may also carry both freely available information (e.g, summary, table of contents) and secured content control information which ensures the performance of control information. Content control information governs content usage according to criteria set by holders of rights to an object's contents and/or according to parties who otherwise have rights associated with distributing such content (such as governments, financial credit providers, and users).

In part, security is enhanced by object methods employed by the present invention because the encryption schemes used to protect an object can efficiently be further used to protect the associated content control information (software control

information and relevant data) from modification. Said object techniques also enhance portability between various computer and/or other appliance environments because electronic information in the form of content can be inserted along with (for  
5 example, in the same object container as) content control information (for said content) to produce a "published" object. As a result, various portions of said control information may be specifically adapted for different environments, such as for diverse computer platforms and operating systems, and said  
10 various portions may all be carried by a VDE container.

An objective of VDE is supporting a transaction/distribution control standard. Development of such a standard has many obstacles, given the security requirements  
15 and related hardware and communications issues, widely differing environments, information types, types of information usage, business and/or data security goals, varieties of participants, and properties of delivered information. A significant feature of VDE accommodates the many, varying  
20 distribution and other transaction variables by, in part, decomposing electronic commerce and data security functions into generalized capability modules executable within a secure hardware SPU and/or corresponding software subsystem and further allowing extensive flexibility in assembling, modifying,  
25 and/or replacing, such modules (e.g. load modules and/or

methods) in applications run on a VDE installation foundation.  
This configurability and reconfigurability allows electronic  
commerce and data security participants to reflect their priorities  
and requirements through a process of iteratively shaping an  
5 evolving extended electronic agreement (electronic control  
model). This shaping can occur as content control information  
passes from one VDE participant to another and to the extent  
allowed by "in place" content control information. This process  
allows users of VDE to recast existing control information and/or  
10 add new control information as necessary (including the  
elimination of no longer required elements).

VDE supports trusted (sufficiently secure) electronic  
information distribution and usage control models for both  
15 commercial electronic content distribution and data security  
applications. It can be configured to meet the diverse  
requirements of a network of interrelated participants that may  
include content creators, content distributors, client  
administrators, end users, and/or clearinghouses and/or other  
20 content usage information users. These parties may constitute a  
network of participants involved in simple to complex electronic  
content dissemination, usage control, usage reporting, and/or  
usage payment. Disseminated content may include both  
originally provided and VDE generated information (such as  
25 content usage information) and content control information may

persist through both chains (one or more pathways) of content  
and content control information handling, as well as the direct  
usage of content. The configurability provided by the present  
invention is particularly critical for supporting electronic  
5 commerce, that is enabling businesses to create relationships and  
evolve strategies that offer competitive value. Electronic  
commerce tools that are not inherently configurable and  
interoperable will ultimately fail to produce products (and  
services) that meet both basic requirements and evolving needs of  
10 most commerce applications.

VDE's fundamental configurability will allow a broad  
range of competitive electronic commerce business models to  
flourish. It allows business models to be shaped to maximize  
15 revenues sources, end-user product value, and operating  
efficiencies. VDE can be employed to support multiple, differing  
models, take advantage of new revenue opportunities, and  
deliver product configurations most desired by users. Electronic  
commerce technologies that do not, as the present invention does:

- 20 ! support a broad range of possible, complementary  
revenue activities,
- ! offer a flexible array of content usage features most  
desired by customers, and
- ! exploit opportunities for operating efficiencies,

will result in products that are often intrinsically more costly and less appealing and therefore less competitive in the marketplace.

Some of the key factors contributing to the configurability  
intrinsic to the present invention include:

- (a) integration into the fundamental control environment of a broad range of electronic appliances through portable API and programming language tools that efficiently support merging of control and auditing capabilities in nearly any electronic appliance environment while maintaining overall system security;
- (b) modular data structures;
- (c) generic content model;
- (d) general modularity and independence of foundation architectural components;
- (e) modular security structures;
- (f) variable length and multiple branching chains of control; and

(g) independent, modular control structures in the form of executable load modules that can be maintained in one or more libraries, and assembled into control methods and models, and where such model control schemes can "evolve" as control information passes through the VDE installations of participants of a pathway of VDE content control information handling.

10           Because of the breadth of issues resolved by the present invention, it can provide the emerging "electronic highway" with a single transaction/distribution control system that can, for a very broad range of commercial and data security models, ensure against unauthorized use of confidential and/or proprietary  
15           information and commercial electronic transactions. VDE's electronic transaction management mechanisms can enforce the electronic rights and agreements of all parties participating in widely varying business and data security models, and this can be efficiently achieved through a single VDE implementation  
20           within each VDE participant's electronic appliance. VDE supports widely varying business and/or data security models that can involve a broad range of participants at various "levels" of VDE content and/or content control information pathways of handling. Different content control and/or auditing models and  
25           agreements may be available on the same VDE installation.

These models and agreements may control content in relationship to, for example, VDE installations and/or users in general; certain specific users, installations, classes and/or other groupings of installations and/or users; as well as to electronic content generally on a given installation, to specific properties, property portions, classes and/or other groupings of content.

Distribution using VDE may package both the electronic content and control information into the same VDE container, and/or may involve the delivery to an end-user site of different pieces of the same VDE managed property from plural separate remote locations and/or in plural separate VDE content containers and/or employing plural different delivery means. Content control information may be partially or fully delivered separately from its associated content to a user VDE installation in one or more VDE administrative objects. Portions of said control information may be delivered from one or more sources. Control information may also be available for use by access from a user's VDE installation secure sub-system to one or more remote VDE secure sub-systems and/or VDE compatible, certified secure remote locations. VDE control processes such as metering, budgeting, decrypting and/or fingerprinting, may as relates to a certain user content usage activity, be performed in a user's local VDE installation secure subsystem, or said processes may be divided amongst plural secure subsystems which may be



located in the same user VDE installations and/or in a network server and in the user installation. For example, a local VDE installation may perform decryption and save any, or all of, usage metering information related to content and/or electronic appliance usage at such user installation could be performed at the server employing secure (e.g., encrypted) communications between said secure subsystems. Said server location may also be used for near real time, frequent, or more periodic secure receipt of content usage information from said user installation, with, for example, metered information being maintained only temporarily at a local user installation.

Delivery means for VDE managed content may include electronic data storage means such as optical disks for delivering one portion of said information and broadcasting and/or telecommunicating means for other portions of said information. Electronic data storage means may include magnetic media, optical media, combined magneto-optical systems, flash RAM memory, bubble memory, and/or other memory storage means such as huge capacity optical storage systems employing holographic, frequency, and/or polarity data storage techniques. Data storage means may also employ layered disc techniques, such as the use of generally transparent and/or translucent materials that pass light through layers of data carrying discs which themselves are physically packaged together as one

thicker disc. Data carrying locations on such discs may be, at least in part, opaque.

5 VDE supports a general purpose foundation for secure transaction management, including usage control, auditing, reporting, and/or payment. This general purpose foundation is called "VDE Functions" ("VDEFs"). VDE also supports a collection of "atomic" application elements (e.g., load modules) that can be selectively aggregated together to form various VDEF  
10 capabilities called control methods and which serve as VDEF applications and operating system functions. When a host operating environment of an electronic appliance includes VDEF capabilities, it is called a "Rights Operating System" (ROS). VDEF load modules, associated data, and methods form a body of  
15 information that for the purposes of the present invention are called "control information." VDEF control information may be specifically associated with one or more pieces of electronic content and/or it may be employed as a general component of the operating system capabilities of a VDE installation.

20

VDEF transaction control elements reflect and enact content specific and/or more generalized administrative (for example, general operating system) control information. VDEF capabilities which can generally take the form of applications  
25 (application models) that have more or less configurability which

can be shaped by VDE participants, through the use, for example, of VDE templates, to employ specific capabilities, along, for example, with capability parameter data to reflect the elements of one or more express electronic agreements between VDE participants in regards to the use of electronic content such as commercially distributed products. These control capabilities manage the use of, and/or auditing of use of, electronic content, as well as reporting information based upon content use, and any payment for said use. VDEF capabilities may "evolve" to reflect the requirements of one or more successive parties who receive or otherwise contribute to a given set of control information.

Frequently, for a VDE application for a given content model (such as distribution of entertainment on CD-ROM, content delivery from an Internet repository, or electronic catalog shopping and advertising, or some combination of the above) participants would be able to securely select from amongst available, alternative control methods and apply related parameter data, wherein such selection of control method and/or submission of data would constitute their "contribution" of control information.

Alternatively, or in addition, certain control methods that have been expressly certified as securely interoperable and compatible with said application may be independently submitted by a participant as part of such a contribution. In the most general example, a generally certified load module (certified for a given VDE arrangement and/or content class) may be used with many

or any VDE application that operates in nodes of said arrangement. These parties, to the extent they are allowed, can independently and securely add, delete, and/or otherwise modify the specification of load modules and methods, as well as add,  
5 delete or otherwise modify related information.

Normally the party who creates a VDE content container defines the general nature of the VDEF capabilities that will and/or may apply to certain electronic information. A VDE  
10 content container is an object that contains both content ( for example, commercially distributed electronic information products such as computer software programs, movies, electronic publications or reference materials, etc.) and certain control information related to the use of the object's content. A creating  
15 party may make a VDE container available to other parties. Control information delivered by, and/or otherwise available for use with, VDE content containers comprise (for commercial content distribution purposes) VDEF control capabilities (and any associated parameter data) for electronic content. These  
20 capabilities may constitute one or more "proposed" electronic agreements (and/or agreement functions available for selection and/or use with parameter data) that manage the use and/or the consequences of use of such content and which can enact the terms and conditions of agreements involving multiple parties  
25 and their various rights and obligations.

A VDE electronic agreement may be explicit, through a user interface acceptance by one or more parties, for example by a "junior" party who has received control information from a "senior" party, or it may be a process amongst equal parties who individually assert their agreement. Agreement may also result from an automated electronic process during which terms and conditions are "evaluated" by certain VDE participant control information that assesses whether certain other electronic terms and conditions attached to content and/or submitted by another party are acceptable (do not violate acceptable control information criteria). Such an evaluation process may be quite simple, for example a comparison to ensure compatibility between a portion of, or all senior, control terms and conditions in a table of terms and conditions and the submitted control information of a subsequent participant in a pathway of content control information handling, or it may be a more elaborate process that evaluates the potential outcome of, and/or implements a negotiation process between, two or more sets of control information submitted by two or more parties. VDE also accommodates a semi-automated process during which one or more VDE participants directly, through user interface means, resolve "disagreements" between control information sets by accepting and/or proposing certain control information that may be acceptable to control information representing one or more other parties interests and/or responds to certain user interface

queries for selection of certain alternative choices and/or for certain parameter information, the responses being adopted if acceptable to applicable senior control information.

5           When another party (other than the first applier of rules), perhaps through a negotiation process, accepts, and/or adds to and/or otherwise modifies, "in place" content control information, a VDE agreement between two or more parties related to the use of such electronic content may be created (so long as any  
10           modifications are consistent with senior control information). Acceptance of terms and conditions related to certain electronic content may be direct and express, or it may be implicit as a result of use of content (depending, for example, on legal requirements, previous exposure to such terms and conditions,  
15           and requirements of in place control information).

          VDEF capabilities may be employed, and a VDE agreement may be entered into, by a plurality of parties without the VDEF capabilities being directly associated with the  
20           controlling of certain, specific electronic information. For example, certain one or more VDEF capabilities may be present at a VDE installation, and certain VDE agreements may have been entered into during the registration process for a content distribution application, to be used by such installation for  
25           securely controlling VDE content usage, auditing, reporting

and/or payment. Similarly, a specific VDE participant may enter into a VDE user agreement with a VDE content or electronic appliance provider when the user and/or her appliance register with such provider as a VDE installation and/or user. In such events, VDEF in place control information available to the user VDE installation may require that certain VDEF methods are employed, for example in a certain sequence, in order to be able to use all and/or certain classes, of electronic content and/or VDE applications.

VDE ensures that certain prerequisites necessary for a given transaction to occur are met. This includes the secure execution of any required load modules and the availability of any required, associated data. For example, required load modules and data (e.g. in the form of a method) might specify that sufficient credit from an authorized source must be confirmed as available. It might further require certain one or more load modules execute as processes at an appropriate time to ensure that such credit will be used in order to pay for user use of the content. A certain content provider might, for example, require metering the number of copies made for distribution to employees of a given software program (a portion of the program might be maintained in encrypted form and require the presence of a VDE installation to run). This would require the execution of a metering method for copying of the property each time a copy

located in the same user VDE installations and/or in a network server and in the user installation. For example, a local VDE installation may perform decryption and save any, or all of, usage metering information related to content and/or electronic appliance usage at such user installation could be performed at the server employing secure (e.g., encrypted) communications between said secure subsystems. Said server location may also be used for near real time, frequent, or more periodic secure receipt of content usage information from said user installation, with, for example, metered information being maintained only temporarily at a local user installation.

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or any VDE application that operates in nodes of said arrangement. These parties, to the extent they are allowed, can independently and securely add, delete, and/or otherwise modify the specification of load modules and methods, as well as add,  
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Normally the party who creates a VDE content container defines the general nature of the VDEF capabilities that will and/or may apply to certain electronic information. A VDE  
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queries for selection of certain alternative choices and/or for certain parameter information, the responses being adopted if acceptable to applicable senior control information.

5           When another party (other than the first applier of rules), perhaps through a negotiation process, accepts, and/or adds to and/or otherwise modifies, "in place" content control information, a VDE agreement between two or more parties related to the use of such electronic content may be created (so long as any  
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15           and requirements of in place control information).

          VDEF capabilities may be employed, and a VDE agreement may be entered into, by a plurality of parties without the VDEF capabilities being directly associated with the  
20           controlling of certain, specific electronic information. For example, certain one or more VDEF capabilities may be present at a VDE installation, and certain VDE agreements may have been entered into during the registration process for a content distribution application, to be used by such installation for  
25           securely controlling VDE content usage, auditing, reporting

and/or payment. Similarly, a specific VDE participant may enter into a VDE user agreement with a VDE content or electronic appliance provider when the user and/or her appliance register with such provider as a VDE installation and/or user. In such events, VDEF in place control information available to the user VDE installation may require that certain VDEF methods are employed, for example in a certain sequence, in order to be able to use all and/or certain classes, of electronic content and/or VDE applications.

VDE ensures that certain prerequisites necessary for a given transaction to occur are met. This includes the secure execution of any required load modules and the availability of any required, associated data. For example, required load modules and data (e.g. in the form of a method) might specify that sufficient credit from an authorized source must be confirmed as available. It might further require certain one or more load modules execute as processes at an appropriate time to ensure that such credit will be used in order to pay for user use of the content. A certain content provider might, for example, require metering the number of copies made for distribution to employees of a given software program (a portion of the program might be maintained in encrypted form and require the presence of a VDE installation to run). This would require the execution of a metering method for copying of the property each time a copy

was made for another employee. This same provider might also charge fees based on the total number of different properties licensed from them by the user and a metering history of their licensing of properties might be required to maintain this information.

VDE provides organization, community, and/or universe wide secure environments whose integrity is assured by processes securely controlled in VDE participant user installations (nodes). VDE installations, in the preferred embodiment, may include both software and tamper resistant hardware semiconductor elements. Such a semiconductor arrangement comprises, at least in part, special purpose circuitry that has been designed to protect against tampering with, or unauthorized observation of, the information and functions used in performing the VDE's control functions. The special purpose secure circuitry provided by the present invention includes at least one of: a dedicated semiconductor arrangement known as a Secure Processing Unit (SPU) and/or a standard microprocessor, microcontroller, and/or other processing logic that accommodates the requirements of the present invention and functions as an SPU. VDE's secure hardware may be found incorporated into, for example, a fax/modem chip or chip pack, I/O controller, video display controller, and/or other available digital processing arrangements. It is anticipated that portions of the present

invention's VDE secure hardware capabilities may ultimately be standard design elements of central processing units (CPUs) for computers and various other electronic devices.

5           Designing VDE capabilities into one or more standard microprocessor, microcontroller and/or other digital processing components may materially reduce VDE related hardware costs by employing the same hardware resources for both the transaction management uses contemplated by the present  
10           invention and for other, host electronic appliance functions. This means that a VDE SPU can employ (share) circuitry elements of a "standard" CPU. For example, if a "standard" processor can operate in protected mode and can execute VDE related instructions as a protected activity, then such an embodiment  
15           may provide sufficient hardware security for a variety of applications and the expense of a special purpose processor might be avoided. Under one preferred embodiment of the present invention, certain memory (e.g., RAM, ROM, NVRAM) is maintained during VDE related instruction processing in a  
20           protected mode (for example, as supported by protected mode microprocessors). This memory is located in the same package as the processing logic (e.g. processor). Desirably, the packaging and memory of such a processor would be designed using security techniques that enhance its resistance to tampering.

25



The degree of overall security of the VDE system is primarily dependent on the degree of tamper resistance and concealment of VDE control process execution and related data storage activities. Employing special purpose semiconductor packaging techniques can significantly contribute to the degree of security. Concealment and tamper-resistance in semiconductor memory (e.g., RAM, ROM, NVRAM) can be achieved, in part, by employing such memory within an SPU package, by encrypting data before it is sent to external memory (such as an external RAM package) and decrypting encrypted data within the CPU/RAM package before it is executed. This process is used for important VDE related data when such data is stored on unprotected media, for example, standard host storage, such as random access memory, mass storage, etc. In that event, a VDE SPU would encrypt data that results from a secure VDE execution before such data was stored in external memory.

#### **Summary of Some Important Features Provided by VDE in Accordance With the Present Invention**

VDE employs a variety of capabilities that serve as a foundation for a general purpose, sufficiently secure distributed electronic commerce solution. VDE enables an electronic commerce marketplace that supports divergent, competitive business partnerships, agreements, and evolving overall business models. For example, VDE includes features that:

“sufficiently” impede unauthorized and/or uncompensated use of electronic information and/or appliances through the use of secure communication, storage, and transaction management technologies.

5 VDE supports a model wide, distributed security implementation which creates a single secure “virtual” transaction processing and information storage environment. VDE enables distributed VDE installations to securely store and communicate  
10 information and remotely control the execution processes and the character of use of electronic information at other VDE installations and in a wide variety of ways;

15 ! support low-cost, efficient, and effective security architectures for transaction control, auditing, reporting, and related communications and information storage. VDE may employ tagging related security techniques, the time-ageing of  
20 encryption keys, the compartmentalization of both stored control information (including differentially tagging such stored information to ensure against substitution and tampering) and distributed content (to, for many content applications, employ one or  
25 more content encryption keys that are unique to the

specific VDE installation and/or user), private key techniques such as triple DES to encrypt content, public key techniques such as RSA to protect communications and to provide the benefits of digital signature and authentication to securely bind together the nodes of a VDE arrangement, secure processing of important transaction management executable code, and a combining of a small amount of highly secure, hardware protected storage space with a much larger "exposed" mass media storage space storing secured (normally encrypted and tagged) control and audit information. VDE employs special purpose hardware distributed throughout some or all locations of a VDE implementation: a) said hardware controlling important elements of: content preparation (such as causing such content to be placed in a VDE content container and associating content control information with said content), content and/or electronic appliance usage auditing, content usage analysis, as well as content usage control; and b) said hardware having been designed to securely handle processing load module control activities, wherein said control processing activities may involve a sequence of required control factors;

! support dynamic user selection of information  
subsets of a VDE electronic information product  
(VDE controlled content). This contrasts with the  
constraints of having to use a few high level  
5 individual, pre-defined content provider information  
increments such as being required to select a whole  
information product or product section in order to  
acquire or otherwise use a portion of such product or  
section. VDE supports metering and usage control  
10 over a variety of increments (including "atomic"  
increments, and combinations of different increment  
types) that are selected ad hoc by a user and  
represent a collection of pre-identified one or more  
increments (such as one or more blocks of a  
15 preidentified nature, e.g., bytes, images, logically  
related blocks) that form a generally arbitrary, but  
logical to a user, content "deliverable." VDE control  
information (including budgeting, pricing and  
metering) can be configured so that it can specifically  
20 apply, as appropriate, to ad hoc selection of different,  
unanticipated variable user selected aggregations of  
information increments and pricing levels can be, at  
least in part, based on quantities and/or nature of  
mixed increment selections (for example, a certain  
25 quantity of certain text could mean associated

images might be discounted by 15%; a greater quantity of text in the "mixed" increment selection might mean the images are discounted 20%). Such user selected aggregated information increments can reflect the actual requirements of a user for information and is more flexible than being limited to a single, or a few, high level, (e.g. product, document, database record) predetermined increments. Such high level increments may include quantities of information not desired by the user and as a result be more costly than the subset of information needed by the user if such a subset was available. In sum, the present invention allows information contained in electronic information products to be supplied according to user specification. Tailoring to user specification allows the present invention to provide the greatest value to users, which in turn will generate the greatest amount of electronic commerce activity. The user, for example, would be able to define an aggregation of content derived from various portions of an available content product, but which, as a deliverable for use by the user, is an entirely unique aggregated increment. The user may, for example, select certain numbers of bytes of information from

various portions of an information product, such as a reference work, and copy them to disc in unencrypted form and be billed based on total number of bytes plus a surcharge on the number of

5 "articles" that provided the bytes. A content provider might reasonably charge less for such a user defined information increment since the user does not require all of the content from all of the articles that contained desired information. This

10 process of defining a user desired information increment may involve artificial intelligence database search tools that contribute to the location of the most relevant portions of information from an information product and cause the automatic display

15 to the user of information describing search criteria hits for user selection or the automatic extraction and delivery of such portions to the user. VDE further supports a wide variety of predefined increment types including:

20 ! bytes,  
! images,  
! content over time for audio or video, or any other increment that can be identified by content provider data mapping efforts, such as:

25 ! sentences,

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